

Class I Railroad Annual Report

	Norfolk Southern Combined Railroad Subsidiaries Three Commercial Place Norfolk, VA 23510-2191
Correct name and address if different than shown	Full name and address of reporting carrier (Use mailing label on original, copy in full on duplicate)



**To The
Surface Transportation Board**

For the Year Ending December 31, 2009

NOTICE

1. This report is required for every class I railroad operating within the United States. Three copies of this Annual Report should be completed. Two of the copies must be filed with the Surface Transportation Board, Office of Economics, Environmental Analysis, and Administration, The Mercury Building, 1925 K St. N.W., Suite 500, Washington, DC 20423, by March 31 of the year following that for which the report is made. One copy should be retained by the carrier.

2. Every inquiry must be definitely answered. Where the word "none" truly and completely states the fact, it should be given as the answer. If any inquiry is inapplicable, the words "not applicable" should be used.

3. Wherever the space provided in the schedules is insufficient to permit a full and complete statement of the requested information, inserts should be prepared and appropriately identified by the number of the schedule.

4. All entries should be made in a permanent black ink or typed. Those of a contrary character must be indicated in parenthesis. Items of an unusual character must be indicated by appropriate symbols and explained in footnotes.

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

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

- (a) Board means *Surface Transportation Board*.
- (b) Respondent means *the person or corporation in whose behalf the report is made*.
- (c) Year means *the year ended December 31 for which the report is being made*.
- (d) Close of the Year means *the close of business on December 31 for the year in which the report is being made*. If the report is made for a shorter period than one year, it means *the close of the period covered by the report*.
- (e) Beginning of the Year means *the beginning of business on January 1 of the year for which the report is being made*. If the report is made for a shorter period than one year, it means *the beginning of that period*.
- (f) Preceding Year means *the year ended December 31 of the year preceding the year for which the report is made*.
- (g) The Uniform System of Accounts for Railroad Companies means *the system of accounts in Part 1201 of Title 49, Code of Federal Regulations, as amended*.

7. The ICC Termination Act of 1995 abolished the Interstate Commerce Commission and replaced it with the Surface Transportation Board. Any references to the Interstate Commerce Commission or Commission contained in this report refer to the Surface Transportation Board.

8. Any references to the Bureau of Accounts or the Office of Economics contained in this report refer to the Office of Economics, Environmental Analysis, and Administration of the Surface Transportation Board.

9. NOTE - An additional line has been added to Schedule 755 (Line 134) effective with the 2004 R-1. Also note that the instructions for completion of Schedule 755 now have two additional items (Instructions U and V).

10. NOTE - The columns in Schedule 710-Distribution of Locomotive Units In Service of Respondent At Close Of Year, Disregarding Year Of Rebuilding have been revised to reflect new five year periods.

11. NOTE - The following supplemental information about STB information collections is provided in compliance with OMB requirements and pursuant to the Paperwork Reduction Act of 1995, 44 U.S.C. 3501 et seq.:

Supplemental Information about the Annual Report (R-1)

This information collection is mandatory pursuant to 49 U.S.C. 11145.

The estimated hour burden for filing this report is less than 800 hours.

Information in the Annual Reports is used to monitor and assess railroad industry growth, financial stability, traffic, and operations and to identify industry changes that may affect national transportation policy. In addition, the Board uses data from these reports to more effectively carry out regulatory responsibilities, such as acting on railroad requests for authority to engage in Board regulated financial transactions (for example, mergers, acquisitions of control, consolidations, and abandonments); conducting investigations and rulemakings; conducting rail revenue adequacy proceedings; developing rail cost adjustment factors; and developing the URCS, which is a cost measurement methodology. URCS was developed by the Board pursuant to 49 U.S.C. 11161 and is used as a tool in rail rate proceedings to calculate the variable costs associated with providing a particular service in accordance with 49 U.S.C. 10707(d). The Board also uses URCS to analyze the information that it obtains through the annual railroad industry waybill sample, see 49 CFR 1244, and in railroad abandonment proceedings to measure off-branch costs, pursuant to 49 U.S.C. 10904(a) and in accordance with 49 CFR 1152.32(n).

The information in this report is ordinarily maintained by the agency in hard copy for 10 years, after which it is transferred to the National Archives, where it is maintained as a permanent record. These reports are also maintained by the agency indefinitely on microfiche. In addition, some of this information is posted on the Board's website, www.stb.dot.gov, where it may remain indefinitely. All information collected through this report is available to the public.

The OMB control number for this collection is 2140-0009. The display of a currently valid OMB control number is required by law.

Supplemental Information about the Quarterly Condensed Balance Sheet (CBS)

This information collection is mandatory under 49 CFR 1243.2.

The estimated hour burden for filing this report is six hours per report.

The Board uses the information in this report to ensure competitive, efficient, and safe transportation through general oversight programs that monitor and forecast the financial and operating condition of railroads, and through specific regulation of railroad-rate and service issues and rail-restructuring proposals, including railroad mergers, consolidations, acquisitions of control, and abandonments. Information from the reports is used by the Board, other Federal agencies, and industry groups, including the Association of American Railroads, to assess industry growth and operations, detect changes in carrier financial stability, and identify trends that may affect the national transportation system.

Information from these reports is compiled by the Board and published on its website, www.stb.dot.gov, where it may be maintained indefinitely. The compilation report is entitled Class I Railroads, Selected Earnings Data. In addition, paper copies of individual reports are maintained by the Board for ten years, after which they are destroyed. All information collected through this report is available to the public.

The display of a currently valid OMB control number for this collection is required by law.

Supplemental Information about the Quarterly Report of Revenues, Expenses, and Income (Form RE&I)

This information collection is mandatory pursuant to 49 U.S.C. 11164 and 49 CFR 1243.1.

The estimated hour burden for filing this report is six hours per report.

The Board uses the information in this report to ensure competitive, efficient, and safe transportation through general oversight programs that monitor and forecast the financial and operating condition of railroads, and through regulation of railroad rate and service issues and rail restructuring proposals, including railroad mergers, consolidations, acquisitions of control and abandonments. Information from the reports is used by the Board, other Federal agencies and industry groups to monitor and assess industry growth and operations, detect changes in carrier financial stability, and identify trends that may affect the national transportation system. Individual and aggregate carrier information is needed in our decision making process.

Information from these reports is compiled by the Board and published on its website, www.stb.dot.gov, where it may be maintained indefinitely. The compilation report is entitled Class I Railroads, Selected Earnings Data. In addition, paper copies of individual reports are maintained by the Board for ten years, after which they are destroyed. All information collected through this report is available to the public.

The display of a currently valid OMB control number for this collection is required by law.

Supplemental Information about the Report of Railroad Employees, Service, and Compensation (Wage Forms A & B)

This information collection is mandatory pursuant to 49 U.S.C. 11145 and 49 CFR 1245.2.

The estimated hour burden for filing this report is 30 hours per quarterly report and 40 hours per annual report.

The Board uses information in this report to forecast labor costs and measure the efficiency of the reporting railroads. The information is also used by the Board to evaluate proposed regulated transactions that may impact rail employees. These transactions include mergers and consolidations, acquisitions of control, purchases, and abandonments. Other Federal agencies and industry groups, including the Railroad Retirement Board, the Bureau of Labor Statistics, and the Association of American Railroads, depend on the information contained in the reports to monitor railroad operations.

Certain information from the reports is compiled and published on the Board's website, www.stb.dot.gov, where it may be maintained indefinitely. In addition, paper copies of individual reports are maintained by the Board for ten years, after which they are destroyed. All information collected through this report is available to the public.

The OMB control number for this collection is 2140-0004. The display of a currently valid OMB control number is required by law.

Supplemental Information about the Monthly Report of Number of Employees of Class I Railroads (Wage Form C)

This information collection is mandatory pursuant to 49 U.S.C. 11145 and 49 CFR 1246.1.

The estimated hour burden for filing this report is 1.25 hours per monthly report.

The Board uses information in this report to forecast labor costs and measure the efficiency of the reporting railroads. The information is also used by the Board to evaluate proposed regulated transactions that may impact rail employees, including mergers and consolidations, acquisitions of control, purchases, and abandonments. Other Federal agencies and industry groups, including the Railroad Retirement Board, the Bureau of Labor Statistics, and the Association of American Railroads, depend on the information contained in the reports to monitor railroad operations.

The information in this report is compiled and published on the Board's website, www.stb.dot.gov, where it may be maintained indefinitely. In addition, paper copies of individual reports are maintained by the Board for ten years, after which they are destroyed. All information collected through this report is available to the public.

The OMB control number for this collection is 2140-0007. The display of a currently valid OMB control number is required by law.

Supplemental Information about the Annual Report of Cars Loaded and Cars Terminated (Form STB-54)

This information collection is mandatory pursuant to 49 U.S.C. 11162 and 49 CFR 1247.

The estimated hour burden for filing this report is four hours per report.

The Board uses information in this report to forecast labor costs and measure the efficiency of the reporting railroads. Information in this report is entered into the Board's URCS. In addition, many other Federal agencies and industry groups, including the Department of Transportation and the Association of American Railroads (AAR), depend on Form STB-54 for information regarding the number of cars loaded and terminated on the reporting carrier's line.

All information collected through this report is available to the public. Paper copies of individual reports are maintained by the Board for ten years, after which they are destroyed.

The OMB control number for this collection is 2140-0011. The display of a currently valid OMB control number is required by law.

Supplemental Information about the Quarterly Report of Freight Commodity Statistics (Form QCS)

This information collection is mandatory pursuant to 49 U.S.C. 11145 and 49 CFR 1248.

The estimated hour burden for filing this report is 217 hours per report.

Information in this report is entered into the Board's URCS.

All information collected through this report is available to the public. Paper copies of individual reports are maintained by the Board for ten years, after which they are destroyed.

The OMB control number for this collection is 2140-0001. The display of a currently valid OMB control number is required by law.

For Index, See Back of Form

ANNUAL REPORT

OF

NORFOLK SOUTHERN COMBINED RAILROAD SUBSIDIARIES

("NS RAIL")

TO THE

Surface Transportation Board

FOR THE

YEAR ENDED DECEMBER 31, 2009

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

(Name) C. H. "Jake" Allison, Jr. (Title) Vice President and Controller

(Telephone number) (757) 629-2765
(Area Code)

(Office address) Three Commercial Place, Norfolk, VA 23510-2191
(Street and number, city, state, and ZIP code)

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SPECIAL NOTICE

Docket No. 38559, Railroad Classification Index, (ICC served January 20, 1983), modified the reporting requirements for Class II, Class III, and Switching and Terminal Companies. These carriers will notify the Board only if the calculation results in a different revenue level than its current classification.

The dark borders on the schedules represent data that are captured by the Board.

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

A. SCHEDULES OMITTED BY RESPONDENT

1. The Respondent, at its option, may omit pages from this report provided there is nothing to report or the schedules are not applicable.
2. Show the pages excluded, as well as the schedule number and title, in the space provided below.
3. If no schedules were omitted indicate "NONE."

Page	Schedule No.	Title
		NONE

B. IDENTITY OF RESPONDENT

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

- 1 Give in full the exact name of the respondent. Use the words "The" and "Company" only when they are parts of the corporate name. Be careful to distinguish between railroad and railway. The corporate name should be given uniformly throughout the report, notably on the cover, on the title page, and in the "Verification." If the report is made by receivers, trustees, a committee of bondholders, or individuals otherwise in possession of the property, state names and facts with precision. If the report is for a consolidated group, pursuant to Special Permission from the Board, indicate such fact on line 1 below and list the consolidated group on page 4.
- 2 If incorporated under a special charter, give date of passage of the act; if a reorganization has been effected, give date of reorganization. If a receivership or other trust, give also date when such receivership or other possession began. If a partnership, give date of formation and also names in full of present partners.
- 3 State the occasion for the reorganization, whether by reason of foreclosure of mortgage or otherwise, according to the fact. Give date of organization of original corporation and refer to laws under which organized.

- 1 Exact name of common carrier making this report Norfolk Southern Combined Railroad Subsidiaries* (NS Rail) is comprised principally of Norfolk Southern Railway Consolidated.
- 2 Date of incorporation Norfolk Southern Railway Company was incorporated June 18, 1894, under the name Southern Railway Company.
- 3 Under laws of what Government, State, or Territory organized? If more than one, name all. If in bankruptcy, give court of jurisdiction and dates of beginning of receivership and of appointment of receivers or trustees
Norfolk Southern Railway Company - Organized under and by virtue of an act of Assembly of the State of Virginia, approved February 20, 1894.
- 4 If the respondent was reorganized during the year, involved in a consolidation or merger, or conducted its business under a different name, give full particulars - On June 1, 1982, Southern Railway Company (SR) and Norfolk and Western Railway Company (NW) became subsidiaries of Norfolk Southern Corporation (NS), a transportation holding company incorporated in Virginia. Effective December 31, 1990, NS transferred all the common stock of NW to SR, and SR's name was changed to Norfolk Southern Railway Company (NSR). Effective September 1, 1998, NW was merged with and into NSR. In August 1998, the STB's decision approving the joint application of NS, NSR and other parties to control Conrail (which owns Consolidated Rail Corporation) became final. NSR and CSX Transportation began operating their respective portions of Conrail's routes and assets on June 1, 1999. See also note 10 to Schedule 200 on page 10.

* See note on page 4 "Principles of Combined Reporting."

STOCKHOLDERS REPORTS

- 5 The respondent is required to send the office of Economic and Environmental Analysis, immediately upon preparation, two copies of its latest annual report to stockholders.

Check appropriate box:

☐ Two copies are attached to this report.

☐ Two copies will be submitted

☒ No annual report to stockholders is prepared. Not applicable for "Norfolk Southern Combined Railroad Subsidiaries."

Enclosed with this Report Form R-1 are copies of Annual Reports on Form 10-K for year ended December 31, 2009, filed with the Securities and Exchange Commission by Norfolk Southern Corporation.

C. VOTING POWERS AND ELECTIONS

1. State the par value of each share of stock: Common, \$ No Par per share; first preferred, \$ _____ per share; second preferred \$ _____ per share; debenture stock, \$ _____ 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 no, 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 Books Do Not Close
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. NSR 16,668,997 votes as of December 31, 2009.
(date)
8. State the total number of stockholders of record, as of the date shown in answer to inquiry No. 7. One 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 the 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 he would have had a right to cast on that date had a meeting then been in order, and the classification of the number of votes to which he was entitled, with respect to securities held by him, such securities being classified as common stock, second preferred stock, first preferred stock, and other securities, stating in a footnote the names of such other securities (if any). If any such holder held in trust, give (in a footnote) the particulars of the trust. In the case of voting trust agreement, 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	Address of Security Holder	Number of votes to which security holder was entitled	NUMBER OF VOTES, CLASSIFIED WITH RESPECT TO SECURITIES ON WHICH BASED			Line No.
				Stock			
				Common	PREFERRED		
Second	First						
1	Norfolk Southern Railway:						1
2	Norfolk Southern Corp.	Norfolk, VA	16,668,997	16,668,997			2
3							3
4							4
5							5
6							6
7							7
8							8
9							9
10							10
11							11
12							12
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22							22
23							23
24							24
25							25
26							26
27							27
28							28
29							29
30							30

C. VOTING POWERS AND ELECTIONS - Continued

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

NSR - 16,668,997 votes

11. Give the date of such meeting. NSR - May 26, 2009

12. Give the place of such meeting. Norfolk, Virginia

NOTES AND REMARKS**Principles of Combined Reporting**

Norfolk Southern Combined Railroad Subsidiaries (NS Rail) includes the affiliated railroads under the COMMON CONTROL of Norfolk Southern Corporation (NS). The major subsidiary is Norfolk Southern Railway Company and consolidated subsidiaries (NSR). See listing of companies included in combined rail reporting below. Nonrailroad subsidiaries whose assets and operations are not deemed to be an integral part of rail operations are included in this combined report in the following classifications:

Balance Sheet - Fixed Capital Assets - "Property Used in Other Than Carrier Operations"

Results of Operations - "Other Income" and "Miscellaneous Deductions From Income"

All significant intercompany balances and transactions have been eliminated in combination.

This form of Combined reporting was approved by the ICC Accounting and Valuation Board on March 23, 1987, as indicated in Chairman William F. Moss, III's letter.

The following companies are included in the combined rail reporting to the Surface Transportation Board:

Class I

Cincinnati, New Orleans and Texas Pacific Railway Company, The
Norfolk Southern Railway Company

Class II

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

Class III

Camp Lejeune Railroad Company
Chesapeake Western Railway
Interstate Railroad Company
Norfolk and Portsmouth Belt Line Railroad Company
State University Railroad Company
Tennessee, Alabama & Georgia Railway Company
Tennessee Railway Company

Lessors and Other

Airforce Pipeline, Inc.
Alabama Great Southern LLC
Central of Georgia LLC
Citico Realty Company
Chicago Land Management, LLC
High Point, Randleman, Asheboro and
Southern Railroad Company
KPF Bluegrass, LLC
KPF Holdings, LLC
KPF Mountaineer, LLC
Lamberts Point Barge Company, Inc.
Mobile and Birmingham Railroad Company
Norfolk Southern International, Inc.
Norfolk Southern-Mexico, LLC
NorfolkSouthernMexicana, S de RL de CV
North Carolina Midland Railroad Company, The
NS Spectrum Corporation
PLS Investment, LLC
Rail Investment Company
Reading Company, LLC [Delaware]
Reading Company, LLC [Virginia]
S-VA Corporation
South Western Rail Road Company, The
Southern Rail Terminals, Inc.
Southern Rail Terminals of North Carolina, Inc.
Southern Region Materials Supply, Inc.
T-Cubed of North America, LLC
TCS Leasing, Inc.
TCV, Inc.
Thoroughbred Direct Intermodal Services, Inc.
Thoroughbred Funding, Inc.
Thoroughbred Technology and Telecommunications, LLC
Transworks Company
Transworks Inc.
Transworks of Indiana, Inc.
Triple Crown Services Company
Virginia and Southwestern Railway Company
Wheelerburg Terminal LLC
Yadkin Railroad Company

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - ASSETS
(Dollars in Thousands)

Line No.	Cross Check	Account	Title (a)	Balance at close of year (b)	Balance at beginning of year (c)	Line No.
Current Assets						
1		701	Cash and Cash Equivalents	927,209	572,137	1
2		702	Temporary Cash Investments	90,386	-	2
3		703	Special Deposits			3
			Accounts Receivable			
4		704	- Loan and Notes	566	429	4
5		705	- Interline and Other Balances	49,066	56,601	5
6		706	- Customers	402,585	532,812	6
7		707	- Other	62,624	67,853	7
8		709, 708	- Accrued Accounts Receivables	246,092	199,634	8
9		708.5	- Receivables from Affiliated Companies	78,707	-	9
10		709.5	- Less: Allowance for Uncollectible Accounts	(4,910)	(4,694)	10
11		710, 711, 714	Working Funds Prepayments Deferred Income Tax Debits	200,189	268,998	11
12		712	Materials and Supplies	163,735	193,538	12
13		713	Other Current Assets	13,724	32,021	13
14			TOTAL CURRENT ASSETS	2,229,973	1,919,329	14
Other Assets						
15		715, 716, 717	Special Funds	64,185	87,634	15
16		721, 721.5	Investments and Advances Affiliated Companies (Schedule 310 and 310A)	1,926,757	1,660,533	16
17		722, 723	Other Investments and Advances	301,758	137,362	17
18		724	Allowances for Net Unrealized Loss on Noncurrent Marketable Equity Securities-Cr.			18
19		737, 738	Property Used in Other than Carrier Operation (less Depreciation) \$41,235 and \$38,257 respectively	130,554	133,491	19
20		739, 741	Other Assets	201,592	142,652	20
21		743	Other Deferred Debits	21,189	25,589	21
22		744	Accumulated Deferred Income Tax Debits			22
23			TOTAL OTHER ASSETS	2,646,035	2,187,261	23
Road and Equipment						
24		731, 732	Road (Schedule 330, L-30 Col. h & b)	22,824,124	21,860,562	24
25		731, 732	Equipment (Schedule 330, L-39 Col. h & b)	7,648,182	7,576,234	25
26		731, 732	Unallocated Items	324,838	450,155	26
27		733, 735	Accumulated Depreciation and Amortization (Schedules 335, 342, 351)	(8,841,447)	(8,308,484)	27
28			Net Road and Equipment	21,955,697	21,578,467	28
29	*		TOTAL ASSETS	26,831,705	25,685,057	29

NOTES AND REMARKS

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - LIABILITIES AND SHAREHOLDERS' EQUITY
(Dollars in Thousands)

Line No.	Cross Check	Account	Title (a)	Balance at close of year (b)	Balance at begin- ning of year (c)	Line No.
Current Liabilities						
30		751	Loans and Notes Payable	100,000	-	30
31		752	Accounts Payable; Interline and Other Balances	233	265	31
32		753	Audited Accounts and Wages	8,136	33,650	32
33		754	Other Accounts Payable	2,642	15,657	33
34		755, 756	Interest and Dividends Payable	15,811	11,489	34
35		757	Payables to Affiliated Companies	-	5,094	35
36		759	Accrued Accounts Payable	922,914	1,084,547	36
37		760, 761, 761.5, 762	Taxes Accrued	103,120	322,857	37
38		763	Other Current Liabilities	112,136	114,743	38
39		764	Equipment Obligations and Other Long-Term Debt	73,846	83,641	39
40			TOTAL CURRENT LIABILITIES	1,338,838	1,671,943	40
Non-Current Liabilities						
41		765, 767	Funded Debt Unmatured	619,026	779,026	41
42		766	Equipment Obligations	77,253	99,526	42
43		766.5	Capitalized Lease Obligations	32,848	54,903	43
44		768	Debt in Default			44
45		769	Accounts Payable; Affiliated Companies	1,017,822	1,016,246	45
46		770.1, 770.2	Unamortized Debt Premium	114,693	120,590	46
47		781	Interest in Default			47
48		783	Deferred Revenues-Transfers from Government Authorities			48
49		786	Accumulated Deferred Income Tax Credits	7,071,020	6,634,807	49
50		771, 772, 774, 775, 782, 784	Other Long-Term Liabilities and Deferred Credits	3,568,810	3,690,982	50
51			TOTAL NONCURRENT LIABILITIES	12,501,472	12,396,080	51
Shareholders' Equity						
52		791, 792	Total Capital Stock: (Schedule 230, E-11 & 17)	166,690	166,690	52
53			Common Stock	166,690	166,690	53
54			Preferred Stock			54
55			Discount on Capital Stock			55
56		794, 795	Additional Capital (Schedule 230)	6,982,868	6,884,646	56
57		797	Retained Earnings:			57
58		798	Appropriated			58
59		796	Unappropriated (Schedule 220)	5,939,290	4,791,593	59
60		798.5	Accumulated Other Comprehensive Income	(97,453)	(225,895)	60
61			Less Treasury Stock			61
62	*		Net Stockholders' Equity	12,991,395	11,617,034	62
			TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	26,831,705	25,685,057	

NOTES AND REMARKS

200 COMPARATIVE STATEMENT OF FINANCIAL POSITION – EXPLANATORY NOTES

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

1. Amount (estimated, if necessary) of net income or retained income which has to be provided for capital expenditures, and for sinking and other funds pursuant to provisions of reorganization plans, mortgages, deeds of trust, or other contracts
NONE
2. Estimated amount of future earnings which can be realized before paying Federal income taxes because of unused and available net operating loss carryover on January 1 of the year following that for which the report is made
NONE
3. (a) Explain the procedure in accounting for pension funds and recording in the accounts the current and past service pension costs, indicating whether or not consistent with the prior year
SEE NOTE 12, PAGE 12
- (b) State amount, if any, representing the excess of the actuarially computed value of vested benefits over the total of the pension fund
SEE NOTE 12, PAGE 12
- (c) Is any part of pension plan funded? Specify. Yes X No
 (i) If funding is by insurance, give name of insuring company NOT APPLICABLE
 If funding is by trust agreement, list trustee(s) THE NORTHERN TRUST COMPANY (CUSTODIAN)
 Date of trust agreement or latest amendment FEBRUARY 1, 2005 (CUSTODIAL AGREEMENT)
 If respondent is affiliated in any way with the trustee(s), explain affiliation
- (d) List affiliated companies which are included in the pension plan funding agreement and describe basis for allocating charges under the agreement
SEE NOTE 12, PAGE 12
- (e) Is any part of the pension plan fund invested in stock or other securities of the respondent or any of its affiliates? Specify. Yes No X
 If yes, give number of the shares for each class of stock or other security
- Are voting rights attached to any securities held by the pension plan? Specify. Yes X No
 If yes, who determines how stock is voted? The Chairman of the Board of Managers is authorized to give instructions to the Board of Managers' nominee regarding the execution of general proxies.
4. State whether a segregated political fund has been established as provided by the Federal Election Campaign Act of 1971 (18 U.S.C. 610). Yes X No
5. (a) The amount of employers contribution to employee stock ownership plans for the current year was SEE NOTE 12, PAGE 12
- (b) The amount of investment tax credit used to reduce current income tax expense resulting from contributions to qualified employee stock ownership plans for the current year was NONE
6. In reference to Docket No. 37465 specify the total amount of business entertainment expenditures charged to the nonoperating expense account. NONE

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

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

Disclose the nature and amount of contingency that is material.

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

See Note 14 on page 15a.

(a) Changes in Valuation Accounts

8. Marketable Equity Securities. See Note 11 on page 11.

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

At / / , gross unrealized gains and losses pertaining to marketable equity securities were as follows:

	Gains	Losses
Current	\$	\$
Noncurrent	\$	\$

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)

9. Required Accounting Changes

In August 2001, the FASB issued Statement No. 143 "Accounting for Asset Retirement Obligations." (SFAS No. 143). Pursuant to SFAS No. 143, the cost to remove crossties must be recorded as an expense when incurred; previously these removal costs were accrued as a component of depreciation. STB accounting rules require that railroads accrue the cost of removing crossties over the expected useful life of these assets. NS Rail has not implemented SFAS No. 143 for STB reporting purposes. As a result, these financial statements do not reflect generally accepted accounting principles with regard to the removal of crossties.

In June 2009, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 168, "The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles, a replacement of FASB Statement No. 162" (Accounting Standards Update (ASU) 2009-01). This statement, effective for interim and annual periods ending after September 15, 2009, established the FASB Accounting Standards Codification (Codification or ASC) as the single source of authoritative Generally Accepted Accounting Principles (GAAP). SFAS 168 is recognized by the FASB to be applied by nongovernmental entities and stated that all guidance contained in the Codification has an equal level of authority. The authoritative accounting guidance recognized that rules and interpretive releases of the Securities and Exchange Commission (SEC) under federal securities laws are also sources of authoritative GAAP for SEC registrants. NS Rail adopted the provisions of the authoritative accounting guidance for the interim reporting period ending September 30, 2009, the adoption of which did not have a material effect on NS Rail's combined financial statements.

FASB Staff Position (FSP) No. 132 (R)-1, "Employers' Disclosures about Postretirement Benefit Plan Assets" (ASC 715-20-65-2), was issued on December 30, 2008. The FSP, effective for fiscal years ending after December 15, 2009, clarifies an employer's disclosures about plan assets of a defined benefit pension or other postretirement plan. The FSP prescribes expanded disclosures regarding investment allocation decisions, categories of plan assets, inputs, and valuation techniques used to measure fair value, the effect of Level 3 inputs on changes in plan assets and significant concentrations of risk. NS Rail adopted the FSP at the end of 2009 and it did not have a material effect on NS Rail's combined financial statements.

Effective January 1, 2008, NS adopted SFAS No. 157, "Fair Value Measurements" (ASC 820), related to financial instrument assets and liabilities. NS Rail adopted the provisions of this standard relative to nonfinancial assets and nonfinancial liabilities that are not remeasured at fair value on a recurring basis in the first quarter of 2009. This statement, effective for interim or annual reporting periods beginning after November 15, 2007, establishes a framework for measuring fair value in U.S. generally accepted accounting principles and expands disclosures about fair value measurements. Adoption did not have a material effect on NS Rail's combined financial statements.

In December 2007, the FASB issued SFAS No. 160 (SFAS 160), "Noncontrolling Interests in Consolidated Financial Statements" (ASC 810-10), which requires that noncontrolling (minority) interests be reported as a component of equity. NS Rail adopted the statement in the first quarter of 2009 with no material effect on NS Rail's combined financial statements.

Change in Reporting Entity

NS Rail sells, without recourse, to a bankruptcy-remote special-purpose entity, Thoroughbred Funding Inc. (TFI), a pool of accounts receivable. NS Rail services and collects the sold receivables; however, no servicing asset or liability has been recognized because the benefits of servicing are estimated to be just adequate to compensate NS Rail for its responsibilities. Payments collected from sold receivables are remitted to TFI, which, in turn, reinvests the amounts by purchasing new receivables from NS Rail.

On October 21, 2009, NS Rail received, as a contribution, all of the issued and outstanding shares of capital stock of TFI, previously a wholly owned subsidiary of NS. Accordingly, NS Rail has retrospectively applied this change in reporting entity to the financial statements of all prior periods presented to show financial information for the new reporting entity in accordance with ASC 250. The following schedules reconcile, to the extent impacted by the change in reporting entity and certain reclasses, the amounts previously reported to those as presented in NS Rail's Financial Statements as of and for the year ended December 31, 2008:

Comparative Statement of Financial Position

Year Ended December 31, 2008
(\$ in thousands)

	As Reported	Change in Reporting Entity	As Restated
Cash and Cash Equivalents	\$ 561,182	\$ 10,955	\$ 572,137
Interline and Other Balances	251	56,350	56,601
Customers	42,161	490,651	532,812
Accrued Accounts Receivables	158,224	41,410	199,634
Allowance for Uncollectible Accounts	(4,276)	(418)	(4,694)
Other Assets	145,255	(2,603)	142,652
Interest and Dividends Payable	10,947	542	11,489
Payables to Affiliated Companies	957,894	(952,800)	5,094
Taxes Accrued	133,809	189,048	322,857
Funded Debt Unmatured	479,026	300,000	779,026
Other Long-Term Liabilities and Deferred Credits	3,258,055	432,927	3,690,982
Additional Capital (Schedule 230)	6,586,157	288,489	6,884,646
Unappropriated (Schedule 220)	4,463,454	328,139	4,791,593

Results of Operations**Year Ended December 31, 2008**

(\$ in thousands)

	As Reported	Change In Reporting Entity	As Restated
Miscellaneous income charges	\$ 566,758	\$ (518,782)	\$ 47,976
Fixed interest not in default	45,830	(1,673)	44,157
Federal income taxes	479,028	178,980	658,008
State income taxes	70,780	9,084	79,864

Statement of Cash Flows**Year Ended December 31, 2008**

(\$ in thousands)

	As Reported	Change In Reporting Entity and Reclasses	As Restated
Income from continuing operations	\$ 1,431,629	\$ 332,391	\$ 1,764,020
Reconciliation of net income to net cash provided by operating activities:			
Net decrease (increase) in undistributed earnings (losses) of affiliates	(18,547)	2,206	(16,341)
Decrease (increase) in accounts receivable	208,900	65,307	274,207
Increase (decrease) in current liabilities other than debt	(226,898)	106,758	(120,140)
Increase (decrease) in other-net	(458,887)	154,357	(304,530)
Proceeds from sale of property and other transactions	92,963	(1,984)	90,979
Proceeds from sale/repayment of investment and advances	305,387	585	305,972
Purchase price of long-term investment and advances	(88,531)	1,486	(87,045)
Proceeds from issuance of long-term debt	—	425,000	425,000
Principal payments of long-term debt	(85,810)	(459,007)	(544,817)
Cash dividends paid	—	(890,000)	(890,000)
Advances from NS	68,348	230,965	299,313
Advances and repayments to NS	(881,185)	26,745	(854,440)
Cash and cash equivalents:			
Cash and cash equivalents at beginning of the year	150,519	16,146	166,665
Cash and cash equivalents at end of the year	\$ 561,182	\$ 10,955	\$ 572,137
Cash paid during the year for:			
Interest (net of amounts capitalized)	\$ 91,957	\$ (15,678)	\$ 76,279
Income taxes (net)	\$ 437,259	\$ 135,718	\$ 572,977

Reclassifications

Certain comparative prior year amounts have been reclassified to conform to the current year presentation, principally \$84 million reflected as a use of cash within principal payments of long-term debt that was previously classified as a use of cash in current liabilities other than debt.

10. Related Parties**General**

NS is the parent holding company of NSR. Rail operations are coordinated at the holding company level by the NS Vice Chairman and Chief Operating Officer. NS charges NS Rail a fee for management services it performs for NS Rail (which totaled \$732 million, including a \$45 million markup, in 2009 and \$771 million, including a \$48 million markup, in 2008). In addition, NS charges NS Rail a revenue-based licensing fee (which totaled \$114 million in 2009 and \$157 million in 2008) for use of certain intangible assets owned by NS.

Operation over Conrail's Lines

Through a limited liability company, NS and CSX Corporation (CSX) jointly own Conrail Inc. (Conrail), whose primary subsidiary is Consolidated Rail Corporation (CRC). NS has a 58% economic and 50% voting interest in the jointly owned entity, and CSX has the remainder of the economic and voting interests. CRC owns and operates certain properties (the Shared Assets Areas) for the joint and exclusive benefit of NSR and CSX Transportation, Inc. (CSXT). The costs of operating the Shared Assets Areas are borne by NSR and CSXT based on usage. Future minimum lease payments due to CRC under the Shared Assets Areas agreements are \$29 million in each of 2010 through 2014 and \$279 million thereafter. In addition, NSR and CSXT pay CRC a fee for access to the Shared Assets Areas. Railway operating expenses include expenses of \$123 million in 2009 and \$131 million in 2008 for the use of CRC's Shared Assets Areas.

Intercompany Accounts

December 31,
2009 2008
(\$ in millions)

Current:

Accrued Accounts Payable	\$	923	\$	1,085
--------------------------	----	-----	----	-------

Long-term

Other Long-Term Liabilities and Deferred Credits	\$	3,569	\$	3,691
--	----	-------	----	-------

"Accrued Accounts Payable" includes \$104 million at December 31, 2009, and \$82 million at December 31, 2008, due to Conrail for the operation of the Shared Assets Areas. In addition, "Other Long-Term Liabilities and Deferred Credits" includes \$101 million at December 31, 2009 and 2008, for long-term advances from Conrail, maturing 2035, that bear interest at a rate of 4.4%.

Interest is applied to certain advances at the average NS yield on short-term investments and to the notes at specified rates. NS Rail's results include interest income on amounts due from NS of \$5 million in 2009 and \$9 million in 2008, and interest expense of \$13 million in 2009 and \$32 million in 2008 related to these intercompany accounts. These amounts are included in "Interest income" and "Interest on unfunded debt", respectively.

Noncash Dividends

NSR declared and issued to NS noncash dividends totaling zero in 2009, and \$750 million in 2008, which was settled by reduction of NS Rail's interest-bearing advances due from NS. Noncash dividends are excluded from the Combined Statements of Cash Flows.

Capital Contributions

In 2009 and 2008, NS Rail recognized \$98 million and \$20 million of capital contributions, respectively, for tax benefits it received that were generated by NS. As discussed in Note 9, NS contributed all of the outstanding shares of TFI to NS Rail in 2009.

Intercompany Federal Income Tax Accounts

In accordance with the NS Tax Allocation Agreement, intercompany federal income tax accounts are recorded between companies in the NS consolidated group. NS Rail had long-term intercompany federal income tax payables (which are included in "Other long-term liabilities and deferred credits" in the Combined Balance Sheets) of \$1,851 million at December 31, 2009, and \$1,805 million at December 31, 2008.

Cash Required for NS Debt

To finance the cost of the original Conrail transaction, NS issued and sold commercial paper and \$4.3 billion of unsecured notes. A significant portion of the funding for the interest and repayments on this and other NS debt is expected to be provided by NS Rail.

NS is subject to various financial covenants with respect to its debt and under its credit agreement, including a maximum leverage ratio restriction and certain restrictions on issuance of further debt. As a major NS subsidiary, NS Rail is subject to certain of those covenants.

11. Fair Value**Fair Value Measurements**

ASC 820-10, "Fair Value Measurements," established a framework for measuring fair value and a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels, as follows:

- | | |
|---------|---|
| Level 1 | Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that NS has the ability to access. |
| Level 2 | Inputs to the valuation methodology include: <ul style="list-style-type: none"> • Quoted prices for similar assets or liabilities in active markets; • Quoted prices for identical or similar assets or liabilities in inactive markets; • Inputs other than quoted prices that are observable for the asset or liability; • Inputs that are derived principally from or corroborated by observable market data by correlation or other means. <p style="margin-top: 10px;">If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.</p> |
| Level 3 | Inputs to the valuation methodology are unobservable and significant to the fair value measurement. |

Marketable Equity Securities

December 31,
2009 2008
(\$ in millions)

Marketable equity securities, principally 20,443,337 and 20,579,088 shares, \$ 1,072 \$ 968
respectively, of NS Common Stock at fair value (Level 1)

Carrying value adjustments, which are noncash transactions, are not included in the Combined Statement of Cash Flows. The gross unrealized holding gain was \$1,052 million on December 31, 2009, and \$949 million on December 31, 2008. Sales of "available-for sale securities" were immaterial for the years ended December 31, 2009 and 2008.

12. Pensions and Other Postretirement Benefits

NS and certain subsidiaries have both funded and unfunded defined benefit pension plans covering principally salaried employees. NS and certain subsidiaries also provide specified health care and death benefits to eligible retired employees and their dependents. Under the present plans, which may be amended or terminated at NS' option, a defined percentage of health care expenses is covered, reduced by any deductibles, co-payments, Medicare payments, and in some cases, coverage provided under other group insurance policies. The following relates to the combined NS plans.

Pension and Other Postretirement Benefit Obligations and Plan Assets

	Pension Benefits		Other Postretirement Benefits	
	2009	2008	2009	2008
	(\$ in millions)			
Change in benefit obligations				
Benefit obligation at beginning of year	\$ 1,670	\$ 1,644	\$ 920	\$ 859
Service cost	26	25	16	16
Interest cost	101	99	57	51
Actuarial losses	8	4	106	44
Plan amendments	—	7	—	—
Benefits paid	(109)	(109)	(55)	(50)
Benefit obligation at end of year	<u>1,696</u>	<u>1,670</u>	<u>1,044</u>	<u>920</u>
Change in plan assets				
Fair value of plan assets at beginning of year	1,333	1,963	138	176
Actual return on plan assets	307	(531)	23	(38)
Employer contribution	11	10	55	50
Benefits paid	(109)	(109)	(55)	(50)
Fair value of plan assets at end of year	<u>1,542</u>	<u>1,333</u>	<u>161</u>	<u>138</u>
Funded status at end of year	<u>\$ (154)</u>	<u>\$ (337)</u>	<u>\$ (883)</u>	<u>\$ (782)</u>
Amounts recognized in the Combined Balance Sheets consist of:				
Noncurrent assets	\$ 27	\$ 1	\$ —	\$ —
Current liabilities	(11)	(9)	(54)	(50)
Noncurrent liabilities	(170)	(329)	(829)	(732)
Net amount recognized	<u>\$ (154)</u>	<u>\$ (337)</u>	<u>\$ (883)</u>	<u>\$ (782)</u>
Amounts recognized in accumulated other comprehensive loss (pretax) consist of:				
Net loss	\$ 821	\$ 991	\$ 414	\$ 351
Prior service cost (benefit)	10	13	—	(2)

NS' unfunded pension plans, included above, which in all cases have no assets and therefore have an accumulated benefit obligation in excess of plan assets, had projected benefit obligations of \$181 million at December 31, 2009, and \$168 million at December 31, 2008, and had accumulated benefit obligations of \$159 million at December 31, 2009, and \$146 million at December 31, 2008.

Pension and Other Postretirement Benefit Cost Components

	<u>2009</u>	<u>2008</u>
	(\$ in millions)	
Pension benefits		
Service cost	\$ 26	\$ 25
Interest cost	101	99
Expected return on plan assets	(154)	(173)
Amortization of prior service cost	3	3
Amortization of net losses	25	7
Net cost (benefit)	\$ <u>1</u>	\$ <u>(39)</u>
Other postretirement benefits		
Service cost	\$ 16	\$ 16
Interest cost	57	51
Expected return on plan assets	(15)	(15)
Amortization of prior service benefit	(2)	(8)
Amortization of net losses	35	25
Net cost	\$ <u>91</u>	\$ <u>69</u>

Other Changes in Plan Assets and Benefit Obligations Recognized in Other Comprehensive Loss

	<u>2009</u>	<u>2008</u>
	(\$ in millions)	
	Pension Benefits	Other Postretirement Benefits
Net (gain) loss arising during the year	\$ (145)	\$ 98
Amortization of prior service (cost) benefit	(3)	2
Amortization of net losses	(25)	(35)
Total recognized in other comprehensive income	\$ <u>(173)</u>	\$ <u>65</u>
Total recognized in net periodic (benefit) cost and other comprehensive income	\$ <u>(172)</u>	\$ <u>156</u>

The estimated net loss and prior service cost for the defined benefit pension plans that will be amortized from accumulated other comprehensive loss into net periodic cost over the next year are \$47 million and \$3 million, respectively. The estimated net loss for the other defined benefit postretirement plans that will be amortized from accumulated other comprehensive loss into net periodic benefit cost over the next year is \$47 million.

Pension and Other Postretirement Benefit Assumptions

Pension and other postretirement benefit costs are determined based on actuarial valuations that reflect appropriate assumptions as of the measurement date, ordinarily the beginning of each year. The funded status of the plans is determined using appropriate assumptions as of each year end. A summary of the major assumptions follows:

	<u>2009</u>	<u>2008</u>
Funded status:		
Discount rate	5.85%	6.25%
Future salary increases	4.5%	4.5%
Pension cost:		
Discount rate	6.25%	6.25%
Return on assets in plans	8.75%	9%
Future salary increases	4.5%	4.5%
Other postretirement benefit cost:		
Discount rate	6.25%	6.25%
Return on assets in plan	8.5%	8.5%

To determine the discount rate, NS utilized an analysis in which the projected annual cash flows from the pension and postretirement benefit plans were matched with a yield curve based on an appropriate universe of high-quality corporate bonds. NS used the results of the yield curve to select the discount rate that matches the payment stream of the benefits in these plans.

Health Care Cost Trend Assumptions

For measurement purposes at December 31, 2009, increases in the per capita cost of covered health care benefits were assumed to be 8.8% for 2009 and 8.5% for 2010. It is assumed the rate will decrease gradually to an ultimate rate of 5% for 2019 and remain at that level thereafter.

Assumed health care cost trend rates have a significant effect on the amounts reported in the financial statements. To illustrate, a one-percentage-point change in the assumed health care cost trend would have the following effects:

	One percentage point	
	<u>Increase</u>	<u>Decrease</u>
	(\$ in millions)	
Increase (decrease) in:		
Total service and interest cost components	\$ 10	\$ (8)
Postretirement benefit obligation	\$ 133	\$ (111)

Asset Management

Eleven investment firms manage NS' defined benefit pension plan's assets under investment guidelines approved by the Board of Directors. Investments are restricted to domestic fixed income securities, international fixed income securities, domestic and international equity investments, and unleveraged exchange-traded options and financial futures. Limitations restrict investment concentration and use of certain derivative investments. The target asset allocation for equity is 75% of the pension plan's assets. Fixed income investments must have an average rate of "AA" or better and all fixed income securities must be rates "A" or better except bond index funds. Equity investments must be in liquid securities listed on national exchanges. No investment is permitted in the securities of NS or its subsidiaries (except through commingled pension trust funds). Investment managers' returns are expected to meet or exceed selected market indices by prescribed margins.

NS' pension plan weighted-average asset allocations at December 31, 2009 and 2008, by asset category, were as follows:

<u>Asset Category</u>	Percentage of plan assets at December 31,	
	<u>2009</u>	<u>2008</u>
Domestic equity securities	65%	58%
International equity securities	12%	11%
Debt securities	23%	31%
Total	<u>100%</u>	<u>100%</u>

The postretirement benefit plan assets consist primarily of trust-owned variable life insurance policies with an asset allocation at December 31, 2009, of 57% in equity securities and 43% in debt securities compared with 53% in equity securities and 47% in debt securities at December 31, 2008. The target asset allocation for equity is between 50% and 75% of the plan's assets.

The plans' assumed future returns are based principally on the asset allocation and on the historic returns for the plans' asset classes determined from both actual plan returns and, over longer time periods, market returns for those asset classes. NS assumed a rate of return on pension plan assets of 8.75% for 2009 and 9% for 2008. For 2010, NS assumes an 8.75% return on pension plan assets. A one percentage point change to the rate of return assumption would result in a \$16 million change to the net pension (benefit) cost and, as a result, an equal change in "Compensation and benefits" expense.

Fair Value of Plan Assets

Following is a description of the valuation methodologies used for pension plan assets measured at fair value.

Interest bearing cash: Short-term bills or notes are valued at an estimated price at which a dealer would pay for the security at year end using observable market based inputs; money market funds are valued at the closing price reported on the active market on which the funds are traded.

United States Government and agencies securities: Valued at an estimated price at which a dealer would pay for a security at year end using observable as well as unobservable market based inputs. Inflation adjusted instruments utilize the appropriate index factor.

Municipal bonds: Valued at an estimated price at which a dealer would pay for a security at year end using observable market based inputs.

Corporate bonds and other fixed income instruments: When available, valued at an estimated price at which a dealer would pay for a similar security at year end using observable market inputs. Otherwise, valued at an estimated price at which a dealer would pay for a similar security at year end using unobservable market inputs.

Common stock: Shares held by the plan at year end are valued at the official closing price as defined by the exchange or at the most recent trade price of a security at the close of the active market.

Commingled funds: Valued at the net asset value (NAV) of shares held by the plan at year end, based on the quoted market prices of the underlying assets of the funds. The investments are valued using NAV as a practical expedient for fair value. The commingled funds hold equity securities.

Common collective trusts: Valued at the NAV of shares held by the plan at year end, based on the quoted market prices of the underlying assets of the trusts. The investments are valued using NAV as a practical expedient for fair value. The common collective trusts hold equity securities, fixed income securities and cash and cash equivalents.

The following table sets forth the pension plan assets at December 31, 2009, by valuation technique level, within the fair value hierarchy (there were no level 3 valued assets).

	<u>Level 1</u>	<u>Level 2</u> (\$ in millions)	<u>Total</u>
Common stock	\$ 839	\$ --	\$ 839
Common collective trusts	--	385	385
Corporate bonds and other fixed income instruments	--	170	170
U.S. government and agencies securities	--	78	78
Commingled funds	--	42	42
Interest bearing cash	23	--	23
Other bonds and securities	--	5	5
Total investments	\$ 862	\$ 680	\$ 1,542

Following is a description of the valuation methodologies used for postretirement benefit plan assets measured at fair value.

Trust-owned life insurance: Valued at NS' share of the net assets of trust-owned life insurance issued by a major insurance company. The underlying investments of that trust consist of a U.S. stock account, and a U.S. bond account, valued based upon the aggregate market values of the underlying investments. The loan asset account is valued at cash surrender value at the time of the loan, plus accrued interest.

At December 31, 2009, the postretirement benefit plan assets consisted of trust-owned life insurance with a fair value of \$161 million as valued under level 2 of the fair value hierarchy. There were no level 1 or level 3 related assets.

The methods used to value pension and postretirement benefit plan assets may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while NS believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Contributions and Estimated Future Benefit Payments

In 2010, NS expects to contribute approximately \$11 million to its unfunded pension plans for payments to pensioners and \$54 million to its other postretirement benefit plans for retiree health benefits. NS does not expect to contribute to its funded pension plan in 2010.

Benefit payments, which reflect expected future service, as appropriate, are expected to be paid as follows:

	<u>Pension Benefits</u>	<u>Other Postretirement Benefits</u>
	(\$ in millions)	
2010	\$ 113	\$ 54
2011	115	58
2012	119	60
2013	121	63
2014	124	65
Years 2015-2019	646	368

The other postretirement benefits payments include an estimated average annual reduction due to the Medicare Part D subsidy of about \$7 million.

Other Postretirement Coverage

Under collective bargaining agreements, NS and certain subsidiaries participate in a multi-employer benefit plan, which provides certain postretirement health care and life insurance benefits to eligible union employees. Premiums under this plan are expensed as incurred and amounted to \$33 million in both 2009 and 2008.

Section 401(k) Plans

NS and certain subsidiaries provide Section 401(k) savings plans for employees. Under the plans, NS matches a portion of employee contributions, subject to applicable limitations. NS' matching contributions, recorded as an expense, under these plans were \$16 million in 2009, and \$15 million in 2008.

13. Derivative Financial Instruments

All derivatives are recognized in the financial statements as either assets or liabilities and are measured at fair value. Changes in fair value are recorded as adjustments to the assets or liabilities being hedged in "Other comprehensive loss," or in current earnings, depending on whether the derivative is designated and qualifies for hedge accounting, the type of hedge transaction represented and the effectiveness of the hedge.

NS Rail has used derivative financial instruments to manage its overall exposure to fluctuations in interest rates. NS Rail does not engage in the trading of derivatives. Management has determined that its derivative financial instruments qualify as fair-value hedges, having values that highly

correlate with the underlying hedged exposures, and has designated such instruments as hedging transactions. Credit risk related to the derivative financial instruments is considered to be minimal and is managed by requiring high credit standards for counterparties and periodic settlements.

Interest Rate Hedging

NS Rail manages its overall exposure to fluctuations in interest rates by issuing both fixed- and floating-rate debt instruments, and by entering into interest rate hedging transactions to achieve an appropriate mix within its debt portfolio. NS Rail had \$4 million, or 1%, and \$17 million, or about 2%, of its fixed-rate debt portfolio hedged as of December 31, 2009, and December 31, 2008, respectively, using interest rate swaps that qualify for and are designated as fair-value hedge transactions. NS Rail's interest rate hedging activity resulted in decreases in interest expense of approximately \$1 million for 2009 and 2008. These swaps have been effective in hedging the changes in fair value of the related debt arising from changes in interest rates and there has been no impact on earnings resulting from ineffectiveness associated with these derivative transactions.

Fair Values

Fair values of interest rate swaps at December 31, 2009, and December 31, 2008, were determined based upon the present value of expected future cash flows discounted at the appropriate implied spot rate from the spot rate yield curve. Fair value adjustments are noncash transactions and, accordingly, are excluded from the Combined Statements of Cash Flows. The gross and net asset position of NS Rail's outstanding derivative financial instruments was less than \$1 million at December 31, 2009, and approximately \$1 million at December 31, 2008.

14. Commitments and Contingencies

Lawsuits

NS Rail and/or certain subsidiaries are defendants in numerous lawsuits and other claims relating principally to railroad operations. When management concludes that it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated, it is accrued through a charge to earnings. While the ultimate amount of liability incurred in any of these lawsuits and claims is dependent on future developments, in management's opinion, the recorded liability is adequate to cover the future payment of such liability and claims. However, the final outcome of any of these lawsuits and claims cannot be predicted with certainty, and unfavorable or unexpected outcomes could result in additional accruals that could be significant to results of operations in a particular year or quarter. Any adjustments to the recorded liability will be reflected in earnings in the periods in which such adjustments are known.

Casualty Claims

Casualty claims include employee personal injury and occupational claims as well as third-party claims, all exclusive of legal costs. To aid in valuing its personal injury liability and determining the amount to accrue with respect to such claim during the year, NS Rail's management utilizes studies prepared by an independent consulting actuarial firm. Job-related accidental injury and occupational claims are subject to the Federal Employers' Liability Act (FELA), which is applicable only to railroads. FELA's fault-based system produces results that are unpredictable and inconsistent as compared with a no-fault workers' compensation system. The variability inherent in this system could result in actual costs being different from the liability recorded. While the ultimate amount of claims incurred is dependent on future developments, in management's opinion, the recorded liability is adequate to cover the future payments of claims and is supported by the most recent actuarial study. In all cases, NS Rail records a liability when the expected loss for the claim is both probable and estimable.

In April 2008, NS Rail settled the lawsuit brought by Avondale Mills for claims associated with the January 6, 2005 derailment in Graniteville, SC. A portion of the settlement was not reimbursed by insurance and was included in first quarter 2008 expenses. The total liability related to the derailment represents NS Rail's best estimate based on current facts and circumstances. The estimate includes amounts related to property damage, personal injury and response costs. NS Rail's commercial insurance policies are expected to cover substantially all expenses related to this derailment above the unreimbursed portion and NS Rail's self-insured retention, including NS Rail's response costs and legal fees. The Combined Balance Sheets reflect long-term receivables for estimated recoveries from NS Rail's insurance carriers. NS Rail is engaged in arbitration with two of its insurance carriers that failed to respond to insurance claims submitted by NS Rail. NS Rail believes these expenses are covered by the insurance policies and that recoveries of the contested amounts are probable. Accordingly, NS Rail has recorded the full recovery attributable to each carrier (\$100 million and \$43 million).

Employee personal injury claims – The largest component of casualties and other claims expense is employee personal injury costs. The independent actuarial firm engaged by NS Rail provides quarterly studies to aid in valuing its employee personal injury liability and estimating its employee personal injury expense. The actuarial firm studies NS Rail's historical patterns of reserving for claims and subsequent settlements, taking into account relevant outside influences. The actuary uses the results of these analyses to estimate the ultimate amount of the liability, which includes amounts for incurred but unasserted claims. NS Rail adjusts its liability quarterly based upon management's assessment and the results of the study. Recent actuarial studies have reflected favorable claims development and, accordingly, those changes in estimates have reduced the annual cost related to personal injuries to \$51 million in 2009 from \$78 million in 2008. The estimate of loss liabilities is subject to inherent limitation given the difficulty of predicting future events such as jury decisions, court interpretations, or legislative changes and as such the actual loss may vary from the estimated liability recorded.

Occupational claims – Occupational claims (including asbestosis and other respiratory diseases, as well as conditions allegedly related to repetitive motion) are often not caused by a specific accident or event but rather allegedly result from a claimed exposure over time. Many such claims are being asserted by former or retired employees, some of whom have not been employed in the rail industry for decades. The independent actuarial firm provides an estimate of the occupational claims liability based upon NS Rail's history of claim filings, severity, payments, and other pertinent facts. The liability is dependent upon management's judgments made as to the specific case reserves as well as judgments of the consulting independent actuarial firm in the periodic studies. The actuarial firm's estimate of ultimate loss includes a provision for those claims that have been incurred but not reported. This provision is derived by analyzing industry data and projecting NS Rail's experience into the future as far as can be reasonably determined. NS Rail adjusts its liability quarterly based upon management's assessment and the results of the study. However, it is possible that the recorded liability may not be adequate to cover the future payment of claims. Adjustments to the recorded liability are reflected in operating expenses in the periods in which such adjustments become known.

Third-party claims – NS Rail records a liability for third-party claims including those for highway crossing accidents, trespasser and other injuries, automobile liability, property damage, and lading damage. The independent actuarial firm assists with the calculation of potential liability for third-party claims, except lading damage, based upon NS Rail's experience including number and timing of incidents, amount of payments, settlement rates, number of open claims, and legal defenses. The actuarial estimate includes a provision for claims that have been incurred but have not yet been reported. Each quarter NS Rail adjusts its liability based upon management's assessment and the results of the study. Given the inherent uncertainty in regard to the ultimate outcome of third-party claims, it is possible that the actual loss may differ from the estimated liability recorded.

Environmental Matters

NS Rail is subject to various jurisdictions' environmental laws and regulations. It is NS Rail's policy to record a liability where such liability or loss is probable and its amount can be estimated reasonably. Claims, if any, against third parties for recovery of cleanup costs incurred by NS Rail are reflected as receivables (when collection is probable) on the balance sheet and are not netted against the associated NS Rail liability.

Environmental engineers regularly participate in ongoing evaluations of all known sites and in determining any necessary adjustments to liability estimates. NS Rail also has an Environmental Policy Council, composed of senior managers, to oversee and interpret its environmental policy.

NS Rail's Combined Balance Sheets included liabilities for environmental exposures in the amount of \$32 million at December 31, 2009, and \$42 million at December 31, 2008 (of which \$12 million is classified as a current liability at December 31, 2009 and 2008). At December 31, 2009, the liability represents NS Rail's estimate of the probable cleanup and remediation costs based on available information at 144 known locations compared with 148 locations at December 31, 2008. As of December 31, 2009, nine sites accounted for \$15 million of the liability, and no individual site was considered to be material. NS Rail anticipates that much of this liability will be paid out over five years; however, some costs will be paid out over a longer period.

At 30 locations, one or more NS Rail subsidiaries, usually in conjunction with a number of other parties, have been identified as potentially responsible parties by the Environmental Protection Agency (EPA) or similar state authorities under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, or comparable state statutes, which often impose joint and several liability for cleanup costs.

With respect to known environmental sites (whether identified by NS Rail or by the EPA or comparable state authorities), estimates of NS Rail's ultimate potential financial exposure for a given site or in the aggregate for all such sites are necessarily imprecise because of the widely varying costs of currently available cleanup techniques, the likely development of new cleanup technologies, the difficulty of determining in advance the nature and full extent of contamination and each potential participant's share of any estimated loss (and that participant's ability to bear it), and evolving statutory and regulatory standards governing liability.

The risk of incurring environmental liability – for acts and omissions, past, present and future – is inherent in the railroad business. Some of the commodities in NS' traffic mix, particularly those classified as hazardous materials, pose special risks that NS Rail and its subsidiaries work diligently to minimize. In addition, several NS Rail subsidiaries own, or have owned, land used as operating property, or which is leased and operated by others, or held for sale. Because environmental problems may exist on these properties that are latent or undisclosed, there can be no assurance that NS Rail will not incur environmental liabilities or costs with respect to one or more of them, the amount and materiality of which cannot be estimated reliably at this time. Moreover, lawsuits and claims involving these and potentially other unidentified environmental sites and matters are likely to arise from time to time. The resulting liabilities could have a significant effect on financial position, results of operations, or liquidity in a particular year or quarter.

On April 24, 2008, the United States Department of Justice (DOJ) brought an action against NS Rail for alleged violations of federal environmental laws resulting from the discharge of chlorine and oil that occurred as a result of the January 6, 2005 derailment in Graniteville, SC, including claims for civil penalties as well as injunctive relief. Although NS Rail's June 24, 2008 motion to dismiss for failure to allege sufficient facts was granted, DOJ was given to, and did, amend its complaint. The litigation has been stayed by the district court as the parties work to conclude an agreed upon consent decree. NS Rail does not believe that the resolution of these claims will have a material adverse effect on its financial position, results of operations, or liquidity.

Based on its assessment of the facts and circumstances now known, management believes that it has recorded the probable costs for dealing with those environmental matters of which NS Rail is aware. Further, management believes that it is unlikely that any known matters, either individually or in the aggregate, will have a material adverse effect on NS Rail's financial position, results of operations, or liquidity.

Insurance

NS Rail obtains on behalf of itself and its subsidiaries insurance for potential losses for third-party liability and first-party property damages. NS Rail is currently self-insured up to \$25 million and above \$1 billion per occurrence for bodily injury and property damage to third parties and up to \$25 million and above \$175 million per occurrence for property owned by NS Rail or in NS Rail's care, custody or control.

Purchase Commitments

At December 31, 2009, NS Rail had outstanding purchase commitments totaling approximately \$208 million for long-term service contracts through 2019 as well as track material, RoadRailer® trailers, and freight cars in connection with its capital programs through 2011.

Change-in-Control Arrangements

NS has compensation agreements with officers and certain key employees that become operative only upon a change in control of NS, as defined in those agreements. The agreements provide generally for payments based on compensation at the time of a covered individual's involuntary or other specified termination and for certain other benefits.

Guarantees

In a number of instances, NS Rail has agreed to indemnify lenders for additional costs they may bear as a result of certain changes in laws or regulations applicable to their loans. Such changes may include impositions or modifications with respect to taxes, duties, reserves, liquidity, capital adequacy, special deposits, and similar requirements relating to extensions of credit by, deposits with, or the assets of liabilities of such lenders. The nature and timing of changes in laws or regulations applicable to NS Rail's financings are inherently unpredictable, and therefore NS Rail's exposure in connection with the foregoing indemnifications cannot be quantified. No liability has been recorded related to these indemnifications. In the case of one type of equipment financing, NSR's Japanese leverage leases, NSR may terminate the leases and ancillary agreements if such a change-in-law indemnity is triggered. Such a termination would require NSR to make early termination payments that would not be expected to have a material effect on NS Rail's financial position, results of operations, or liquidity.

NS Rail has indemnified parties in a number of transactions for U.S. income tax withholding imposed as a result of changes in U.S. tax law. In all cases, NS Rail has the right to unwind the related transaction if the withholding cannot be avoided in the future. Because these indemnities would be triggered and are dependent upon a change in the tax law, the maximum exposure is not quantifiable. Management does not believe that it is likely that it will be required to make any payments under these indemnities.

As of December 31, 2009, NSR is contingently liable as a guarantor with respect to \$7 million of indebtedness, due in 2019, of an entity in which they have an ownership interest, the Terminal Railroad Association of St. Louis. Four other railroads are also jointly and severally liable as guarantors for this indebtedness. No liability has been recorded related to this guaranty.

15. Freight Rates

In 2009, NS Rail continued its reliance on private contracts and exempt price quotes as the predominant pricing mechanism. Thus, a major portion of NS Rail's freight business is not currently economically regulated by the government. In general, market forces have been substituted for government regulation and now are the primary determinant of rail service prices.

In 2009, NS Rail was found by the STB to be "revenue adequate" based on the results for the year 2008. A railroad is "revenue adequate" under the applicable law when its return on net investment exceeds the rail industry's composite cost of capital. This determination is made pursuant to statutory requirement.

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210. RESULTS OF OPERATIONS
(Dollars in Thousands)

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

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

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

4. All contra entries hereunder should be indicated in parenthesis

5. Cross-checks

Schedule 210

Line 15, column (b)

Line 47 plus 48 plus 49, column (b)

Line 50, column (b)

Line 14, column (b)

Line 14, column (d)

Line 14, column (e)

Schedule 210

= Line 62, column (b)

= Line 63, column (b)

= Line 64, column (b)

Schedule 410

= Line 620, column (h)

= Line 620, column (f)

= Line 620, column (g)

Line No.	Cross Check	Item	Amount for current year	Amount for preceding year	Freight-related revenue & expenses	Passenger-related revenue & expenses	Line No.
		(a)	(b)	(c)	(d)	(e)	
		ORDINARY ITEMS					
		OPERATING INCOME					
		Railway Operating Income					
1		(101) Freight	7,616,521	10,330,756	7,616,521		1
2		(102) Passenger					2
3		(103) Passenger-Related					3
4		(104) Switching	66,893	71,986	66,893		4
5		(105) Water Transfers					5
6		(106) Demurrage	148,971	129,170	148,971		6
7		(110) Incidental	136,272	129,428	136,272		7
8		(121) Joint Facility-Credit (Debit)					8
9		(122) Joint Facility-Debit (Credit)					9
10		(501) Railway operating revenues (Exclusive of transfers from Government Authorities-lines 1-9)	7,968,657	10,661,340	7,968,657		10
11		(502) Railway operating revenues-Transfers from Government Authorities for current operations					11
12		(503) Railway operating revenues-Amortization of deferred transfers from Government Authorities					12
13		TOTAL RAILWAY OPERATING REVENUES (lines 10-12)	7,968,657	10,661,340	7,968,657		13
14	*	(531) Railway operating expenses	6,190,644	7,803,714	6,190,644		14
15	*	Net revenue from railway operations	1,778,013	2,857,626	1,778,013		15
		OTHER INCOME					
16		(506) Revenue from property used in other than carrier operations	1,484	1,956			16
17		(510) Miscellaneous rent income	41,373	41,121			17
18		(512) Separately operated properties-Profit					18
19		(513) Dividend Income (cost method)	27,906	25,173			19
20		(514) Interest Income	11,136	32,878			20
21		(516) Income from sinking and other funds	3	6			21
22		(517) Release of premiums on funded debt					22
23		(518) Reimbursements received under contracts and agreements					23
24		(519) Miscellaneous income	149,680	122,951			24
		Income from affiliated companies: 519					
25		a. Dividends (equity method)					25
26		b. Equity in undistributed earnings (losses)	47	(659)			26
27		TOTAL OTHER INCOME (lines 16-26)	231,629	223,426			27
28		TOTAL INCOME (lines 15, 27)	2,009,642	3,081,052			28
		MISCELLANEOUS DEDUCTIONS FROM INCOME					
29		(534) Expenses of property used in other than carrier operations	20,455	20,498			29
30		(544) Miscellaneous taxes					30
31		(545) Separately operated properties-Loss					31
32		(549) Maintenance of investment organization					32
33		(550) Income transferred under contracts and agreements					33
34		(551) Miscellaneous income charges	18,717	47,976			34
35		(553) Uncollectible accounts					35
36		TOTAL MISCELLANEOUS DEDUCTIONS (lines 29-35)	39,172	68,474			36
37		Income available for fixed charges (lines 28, 36)	1,970,470	3,012,578			37

210. RESULTS OF OPERATIONS - Continued
(Dollars in Thousands)

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Line No
FIXED CHARGES					
38		(546) Interest on funded debt:			38
39		(a) Fixed interest not in default	36,069	44,157	39
40		(b) Interest in default			40
41		(547) Interest on unfunded debt	130,416	121,489	41
42		(548) Amortization of discount on funded debt	55	115	42
43		TOTAL FIXED CHARGES (lines 38-41)	166,540	165,761	43
		Income after fixed charges (lines 37, 42)	1,803,930	2,846,817	
OTHER DEDUCTIONS					
44		(546) Interest on funded debt:			44
		(c) Contingent interest			
UNUSUAL OR INFREQUENT ITEMS					
45		(555) Unusual or infrequent items (debit) credit			45
46		Income (Loss) from continuing operations (before income taxes)	1,803,930	2,846,817	46
PROVISIONS FOR INCOME TAXES					
		(556) Income taxes on ordinary income:			
47	*	(a) Federal income taxes	278,090	658,008	47
48	*	(b) State income taxes	11,374	79,864	48
49	*	(c) Other income taxes			49
50	*	(557) Provision for deferred taxes	366,597	344,925	50
51		TOTAL PROVISIONS FOR INCOME TAXES (lines 47-50)	656,061	1,082,797	51
52		Income from continuing operations (lines 46+51)	1,147,869	1,764,020	52
DISCONTINUED OPERATIONS					
53		(560) Income or loss from operations of discontinued segments (less applicable income taxes of \$)			53
54		(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of \$)			54
55		Income before extraordinary items (lines 52+53+54)	1,147,869	1,764,020	55
EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES					
56		(570) Extraordinary items (Net)			56
57		(590) Income taxes on extraordinary items			57
58		(591) Provision for deferred taxes-Extraordinary items			58
59		TOTAL EXTRAORDINARY ITEMS (lines 56-58)			59
60		(592) Cumulative effect of changes in accounting principles (less applicable tax of \$)			60
61	*	Net income (Loss) (lines 55+59+60)	1,147,869	1,764,020	61
Reconciliation of net railway operating income(NROI)					
62		Net revenues from railway operation	1,778,013	2,857,626	62
63	*	(556) Income taxes on ordinary income (-)	(289,464)	(737,872)	63
64	*	(557) Provision for deferred income taxes (-)	(366,597)	(344,925)	64
65		Income from lease of road and equipment (-)	(7,368)	(7,736)	65
66		Rent for leased roads and equipment (+)	22,832	23,758	66
67		Net railway operating income (loss)	1,137,416	1,790,851	67

Notes and Remarks For Schedules 210 and 220

220. RETAINED EARNINGS
(Dollars in Thousands)

1. Show below the items of Retained Earnings Accounts of the respondent for the year, classified in accordance with the Uniform System of Accounts for Railroad Companies.
2. All contra entries hereunder should be shown in parentheses.
3. Show under "Remarks" the amount of assigned Federal income tax consequences for Account 606 and 616.
4. Segregate in column (c) all amounts applicable to the equity in undistributed earnings (losses) of affiliated companies based on the equity method of accounting.
5. The total of column (b) and (c), lines 3 and 7, should agree with line 61 column (b), Schedule 210.
6. Include in column (b) only amounts applicable to retained earnings exclusive of any amounts included in column (c).

Line No.	Cross Check	Item	Retained earnings- Unappropriated	Equity in undistributed earnings (losses) of affiliated companies	Line No.
		(a)	(b)	(c)	
1		Balances at beginning of year	4,791,593		1
2	(601.5)	Prior period adjustments to beginning retained earnings			2
		CREDITS			
3	(602)	Credit balance transferred from income	1,147,869		3
4	(603)	Appropriations released			4
5	(606)	Other credits to retained earnings			5
6		TOTAL	1,147,869		6
		DEBITS			
7	(612)	Debit balance transferred from income			7
8	(616)	Other debits to retained earnings	172		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 (1)			12
13		TOTAL	172		13
14		Net increase (decrease) during year (line 6 minus line 13)	1,147,697		14
15		Balances at close of year (lines 1, 2 & 14)	5,939,290		15
16		Balances from line 15 (c)		N/A *	16
17	(798)	Total unappropriated retained earnings and equity in undistributed earnings (losses) of affiliated companies at end of year	5,939,290	N/A	17
18	(797)	Total appropriated retained earnings:			18
19		Credits during year			19
20		Debits during year			20
21		Balance at close of \$0			21
22		Amount of assigned Federal income tax consequences:			22
23		Account 606 \$ None			23
		Account 616 \$ None			

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

* Respondent maintains equity accounting for affiliates by recording transactions into the books of accounts. Therefore, a separate retained earnings memorandum account for the financial reporting of the equity portion is not maintained.

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 purposes of this report, capital stock and other securities are considered to be nominally issued when certificates are signed and sealed and placed with the proper officer for sale and delivery or are pledged or otherwise placed in some special fund of the respondent. They are considered to be actually issued when sold to a bona fide purchaser who holds them free from control by the respondent. All securities actually issued and not reacquired by or for the respondent are considered to be actually outstanding. If reacquired by or for the respondent, and not 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:								1
2	Norfolk Southern Railway Company	None	50,000,000	16,668,997		16,668,997	\$166,690		2
3									3
4									4
5									5
6									6
7									7
8									8
9									9
10	TOTAL	N/A	50,000,000	16,668,997		16,668,997	\$166,690		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 disclosures of the number of preferred, common and treasury stock, respectively, applicable to the items presented in column (a).
4. Columns (c), (e) and (g) 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				\$166,690			\$6,884,646	11
12	Capital Stock Sold								12
13	Capital Stock Reacquired								13
14	Capital Stock Canceled								14
15	Contribution to Capital							\$98,222	15
16									16
17	Balance at close of year				\$166,690			\$6,982,868	17

240. STATEMENT OF CASH FLOWS

(Dollars in Thousands)

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

CASH FLOWS FROM OPERATING ACTIVITIES

Line No.	Cross Check	Description (a)	Current Year (b)	Prior Year (c)	Line No.
1		Cash received from operating revenues			1
2		Dividends received from affiliates			2
3		Interest received			3
4		Other income			4
5		Cash paid for operating expenses			5
6		Interest paid (net of amounts capitalized)			6
7		Income taxes paid			7
8		Other-net			8
9		NET CASH PROVIDED BY OPERATING ACTIVITIES (Lines 1-8)			9

RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Line No.	Cross Check	Description (a)	Current Year (b)	Prior Year (c)	Line No.
10		Income from continuing operations	1,147,869	1,764,020	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	(10,610)	(42,882)	11
12		Depreciation and amortization expenses	895,062	858,942	12
13		Increase (decrease) in provision for deferred income taxes	366,597	344,925	13
14		Net decrease (increase) in undistributed earnings (losses) of affiliates	(6,302)	(16,341)	14
15		Decrease (increase) in accounts receivable	54,970	274,207	15
16		Decrease (increase) in materials and supplies, and other current assets	94,979	(26,133)	16
17		Increase (decrease) in current liabilities other than debt	(423,604)	(120,140)	17
18		Increase (decrease) in other-net	(83,878)	(304,530)	18
19		Net cash provided from continuing operations (Lines 10-18)	2,035,083	2,732,068	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)	2,035,083	2,732,068	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 and other transactions	39,175	90,979	22
23		Capital expenditures	(1,290,278)	(1,554,128)	23
24		Net change in temporary cash investments not qualifying as cash equivalents	(90,386)	46	24
25		Proceeds from sale/repayment of investment and advances	29,477	305,972	25
26		Purchase price of long-term investment and advances	(175,763)	(87,045)	26
27		Net decrease (increase) in sinking and other special funds	23,449	461,948	27
28		Other-net	-	-	28
29		NET CASH USED IN INVESTING ACTIVITIES (Lines 22-28)	(1,464,326)	(782,228)	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	100,000	425,000	30
31		Principal payments of long-term debt	(286,069)	(544,817)	31
32		Cash dividends paid	-	(890,000)	32
33		Other paid-in capital	98,222	20,576	33
34		Advances from NS	17,625	299,313	34
35		Advances and repayments to NS	(145,463)	(854,440)	35
36		NET CASH USED IN FINANCING ACTIVITIES (Lines 30-35)	(215,685)	(1,544,368)	36
37		NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (Lines 21, 29 & 36)	355,072	405,472	37
38		Cash and cash equivalents at beginning of the year	572,137	166,665	38
39		CASH AND CASH EQUIVALENTS AT END OF THE YEAR (Lines 37 & 38)	927,209	572,137	39
		Footnotes to Schedule 240			
		Cash paid during the year for:			
40		Interest (net of amount capitalized)*	62,069	76,279	40
41		Income taxes (net)*	359,535	572,977	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 No. (b)	Amount	Line No.
	CURRENT OPERATING ASSETS			
1	Interline and Other Balances (705)	Schedule 200, line 5, column b	49,066	1
2	Customers (706)	Schedule 200, line 6, column b	402,585	2
3	Other (707)	Note A	62,624	3
4	TOTAL CURRENT OPERATING ASSETS	Line 1 + 2 + 3	514,275	4
	OPERATING REVENUE			
5	Railway Operating Revenue	Schedule 210, line 13, column b	7,968,657	5
6	Rent Income	Note B	219,543	6
7	TOTAL OPERATING REVENUES	Lines 5 + 6	8,188,200	7
8	Average Daily Operating Revenues	Line 7 + 360 days	22,745	8
9	Days of Operating Revenue in Current Operating Assets	Line 4 + line 8	23	9
10	Revenue Delay Days Plus Buffer	Lines 9 + 15 days	38	10
	CURRENT OPERATING LIABILITIES			
11	Interline and Other Balances (752)	Schedule 200, line 31, column b	233	11
12	Audited Accounts and Wages Payable (753)	Note A	8,136	12
13	Accounts Payable-Other (754)	Note A	2,642	13
14	Other Taxes Accrued (761.5)	Note A	142,903	14
15	TOTAL CURRENT OPERATING LIABILITIES	Sum of lines 11 to 14	153,914	15
	OPERATING EXPENSES			
16	Railway Operating Expenses	Schedule 210, line 14, column b	6,190,644	16
17	Depreciation	Schedule 410, lines 136, 137, 138, 213, 232, 317, column h	892,035	17
18	Cash Related Operating Expenses	Line 16 + line 6 - line 17	5,518,152	18
19	Average Daily Expenditures	Line 18 + 360 days	15,328	19
20	Days of Operating Expenses in Current Operating Liabilities	Line 15 + line 19	10	20
21	Days of Working Capital Required	Line 10 - line 20 (Note C)	28	21
22	Cash Working Capital Required	Line 21 x line 19	429,184	22
23	Cash and Temporary Cash Balance	Schedule 200, line 1 + line 2, column b	1,017,595	23
24	Cash Working Capital Allowed	Lesser line 22 and line 23	429,184	24
	MATERIALS AND SUPPLIES			
25	Total Material and Supplies (712)	Note A	163,735	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	163,735	27
28	TOTAL WORKING CAPITAL	Line 24 + line 27	592,919	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

GENERAL INSTRUCTIONS CONCERNING RETURNS IN SCHEDULES 310 AND 310A

1. Schedule 310 should give particulars of stocks, bonds, and other secured obligations, unsecured notes, and investment advances of affiliated companies held by respondent at the close of the year. Also, disclose the investments made, disposed of, and written down during the year and the applicable dividends and interest credited to income as a result of those investments. They should exclude securities issued or assumed by respondent. For definition of affiliated companies, see the rules governing Account No 721 "Investments and Advances; Affiliated Companies", in the Uniform System of Accounts for Railroad Companies.
2. List the investments in the following order and show a total for each group and each class of investment by accounts in numerical order.
 - (A) Stocks
 - (1) Carriers-active
 - (2) Carriers-inactive
 - (3) Noncarriers-active
 - (4) Noncarriers-inactive
 - (B) Bonds (including US government bonds)
 - (C) Other secured obligations
 - (D) Unsecured notes
 - (E) Investment advances
3. The subclassification of classes (B), (C), (D), and (E) should be the same as those provided for class (A).
4. The kinds of industry represented by respondent's investments in the securities of other companies should be shown by symbol opposite the names of the issuing corporations. The symbols and industrial classifications are as follows:

Symbol	Kind of Industry
I	Agriculture, forestry, and fisheries
II	Mining
III	Construction
IV	Manufacturing
V	Wholesale and retail trade
VI	Finance, insurance, and real estate
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 services and facilities, electric railways, highway motor vehicles, steamboats and other marine transportation equipment, pipe lines (other than those for transportation of water), and other instrumentalities devoted to the transportation of persons or property for hire. Telegraph and telephone companies are not meant to be included.
6. Noncarrier companies should, for the purposes of these schedules, include telephone companies, telegraph companies, mining companies, manufacturing companies, hotel companies, etc. Purely holding companies are to be classified as noncarrier companies, even though the securities held by such companies are largely or entirely issued or assumed by carriers.
7. By an active corporation is meant one which maintains an organization for operating property or administering its financial affairs. An inactive corporation is one which has been practically absorbed in a controlling corporation and which neither operates property nor administers its financial affairs. If it maintains an organization it does so only for the purpose of complying with legal requirements and maintaining title to property or franchises.
8. Combine in one account investments in which the original cost or present equity in total assets is less than \$10,000.
9. Include investments in unincorporated entities such as lessee organizations. Exclude amounts normally settled on a current basis.
10. Do not include the value of securities issued or assumed by respondent.
11. For affiliates which do not report to the Surface Transportation Board and are jointly owned, disclose in footnotes the name and extent of control of the other controlling entities.

310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES

1. Give particulars of investments in stocks, bonds, other secured obligations, unsecured notes, and investment advances of companies affiliated with respondent, included in accounts Nos. 715, "Sinking Funds"; 716, "Capital Funds"; 721, "Investments and Advances Affiliated Companies"; and 717, "Other Funds."

2. Entries in this schedule should be made in accordance with the definitions and general instructions given on page 18, classifying the investments by means of letters, figures, and symbols in columns (a), (b) and (c).

3. Indicate by means of an arbitrary mark in column (d) the obligation in support of which any security is pledged, mortgaged, or otherwise encumbered, giving names and other important particulars of such obligations in footnotes.

4. Give totals for each class and for each subclass and a grand total for each account.

5. Entries in column (d) should show date of maturity of bonds and other evidences of indebtedness. In case obligations of the same designation mature serially, the date in column (d) may be reported as "Serially ____ to ____." Abbreviations in common use in standard financial publications may be used to conserve space.

Line No.	Account No.	Class No.	Kind of industry	Name of issuing company and also lien reference, if any (include rate for preferred stocks and bonds)	Extent of Control	Line No.
	(a)	(b)	(c)	(d)	(e)	
1	721	A-1	VII	Belt Railway Company of Chicago (1)	25.00	1
2				Kansas City Terminal Rwy. (2)	8.33	2
3				Peoria and Pekin Union Rwy. (3)	40.64	3
4				Winston-Salem Southbound Rwy. Co. (4)	50.00	4
5				Terminal Railroad Association of St. Louis (5)	14.29	5
6				TTX Co. (formerly Trailer-Train Co.) (6)	19.65	6
7				Augusta & Summerville RR Co. (7)	50.00	7
8				Central Transfer Rwy. and Storage Co. (8)	50.00	8
9				North Charleston Terminal Co. (9)	33.33	9
10				Woodstock & Blocton Rwy. Co. (10)	50.00	10
11				Chatham Terminal Co. (11)	50.00	11
12				Beaver Street Tower Co. (12)	25.00	12
13				Meridian Speedway, LLC (13)	27.26	13
14				PTC 220, LLC (14)	50.00	14
15				MeteorComm, LLC (15)	25.00	15
16				Pan Am Southern, LLC (16)	50.00	16
17				Total A-1		17
18						18
19						19
20						20
21						21
22		A-3	X	Norfolk Southern Corp. (17)		22
23				Total A-3		23
24						24
25						25
26						26
27						27
28						28
29						29
30						30
31						31
32						32
33						33
34						34
35						35
36						36
37						37
38						38

(1) Controlled jointly-other RRs own 75%

(2) Controlled jointly-other RRs own 91.67%

(3) Controlled jointly-other RRs own 59.36%

(4) CSX Transp., Inc. owns 50%

(5) Controlled jointly-other RRs own 85.71%

(6) Controlled jointly-other RRs own 80.35%

(7) CSX Transp., Inc. owns 50%

(8) CSX Transp., Inc. owns 50%

(9) CSX Transp., Inc. owns 66.67%

(10) CSX Transp., Inc. owns 50%

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

6. If any of the companies in this schedule are controlled by respondent the percent of control should be shown in column (e). In case any company listed is controlled other than through actual ownership of securities, give particulars in a footnote. In cases of joint control, give names of other parties and particulars of control.

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

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

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

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

11. For affiliates which do not report to the Interstate Commerce Commission and are jointly owned, give names and 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	Line No.
	Opening balance	Additions	Deductions (if other than sale, explain)	Closing balance				
	(f)	(g)	(h)	(i)	(j)	(k)	(l)	
1	173			173		20		1
2	*			*				2
3	157			157				3
4	623	700		1,323				4
5	330			330				5
6	309			309				6
7	28			28				7
8	19			19				8
9	35			35				9
10	120			120				10
11	19			19				11
12	*			*				12
13	273,718	9,591		283,309				13
14	13,614	2	500	13,116				14
15	-	10,479		10,479				15
16	-	140,911		140,911				16
17	289,145	161,683	500	450,328		20		17
18								18
19								19
20								20
21								21
22	968,246	108,875	5,481	1,071,640				22
23	968,246	108,875	5,481	1,071,640				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

Line 14, column h, represents a reclassification of investment
Line 22, columns g & h, represents unrealized market gains (Accounting Standards Codification 320)
and stock donations, respectively

* Carrying value is zero

(11) CSX Transp., Inc. owns 50%

(12) CSX Transp., Inc. owns 50% and FEC owns 25%

(13) KCS owns 72.74% of this LLC

(14) Ekanet, Inc. owns 50%

(15) Controlled jointly - Other RRs own 75%

(16) Boston & Maine owns 50%

(17) Line 23, col (f) and col. (i) see note 10, page 10

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

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

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

Line No.	Opening balance	Investments and advances			Disposed of profit (loss)	Adjustments Account 721.5	Dividends or interest credited to income	Line No.
		Additions	Deductions (if other than sale, explain)	Closing balance				
	(f)	(g)	(h)	(i)	(j)	(k)	(l)	
1	114			114				1
2	3,133			3,133				2
3	170			170				3
4	25			25				4
5	1,089			1,089				5
6	5			5				6
7	5			5				7
8	10			10				8
9	-	5,000		5,000				9
10								10
11								11
12	4,551	5,000	-	9,551				12
13								13
14	39,731			39,731				14
15	9,778		5,732	4,046				15
16	383			383				16
17								17
18	49,892	-	5,732	44,160				18
19								19
20								20
21								21
22	1,311,834	275,558	11,713	1,575,679		20		22
23								23
24				(20)	721.5 Total			24
25				351,098	Sch. 310A Total			25
26				1,928,757				26
27								27
28								28
29								29
30								30
31			Line 15, column h, includes a reclassification of investment					31
32								32
33								33
34								34
35								35
36								36
37								37
38								38
39								39
40								40

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

Undistributed Earnings From Certain Investments in Affiliated Companies

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

Line No.	Name of issuing company and description of security held	Balance at beginning of year (b)	Adjustment for investments equity method (c)	Equity in undistributed earnings (losses) during year (d)	Amortization during year (e)	Adjustment for investments disposed of or written down during year (f)	Balance at close of year (g)	Line No.
1	Carriers* (List specifics for each company)							1
2	Augusta & Summerville RR Co.	56					56	2
3	Belt Railway Company of Chicago*	14,566		425			14,991	3
4	Central Transfer and Storage Co.	15		1			16	4
5	Meridian Speedway, LLC*	(6,485)	(1,510)	(3,085)			(11,080)	5
6	Peoria and Pekin Union Rwy.*	404	(813)	593			184	6
7	TTX Co. (formerly Trailer-Train Co.)*	335,561		8,019			343,580	7
8	Winston-Salem Southbound Rwy.	4,600		40			4,640	8
9	Woodstock and Blocton Rwy. Co.	2	(6)	6			2	9
10	Pan Am Southern, LLC	-	22	(1,313)			(1,291)	10
11	Total Carriers	348,719	(2,307)	4,686 *			351,098	11
12								12
13	Total Equity	348,719	(2,307)	4,686 *			351,098	13
14								14
15								15
16								16
17								17
18	NOTE:							18
19	Respondent maintains equity accounting for affiliates by recording transactions into the books of accounts. Therefore, a separate retained earnings memorandum account for the financial reporting of the equity portion is not maintained.							19
20								20
21								21
22	Dividends received are accounted (in column (c)) as a reduction in the investment carrying value.							22
23								23
24	* Equity in undistributed earnings during the year for lines 2, 4, 5 and 6 credited operating expenses due to the nature of operations equals \$4,100, and adjustments to Other Comprehensive Income and Retained Earnings equals \$539, which leaves \$47 applied to equity in undistributed earnings.							24
25								25
26								26
27								27
28								28
29								29
30								30

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 330

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

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

602,152	Schedule 410, Lines 136 - 138, Column (h)
3,406	Shop Machinery Schedule 335, Line 26, column(c)
8,830	Depreciation capitalized
<u>614,388</u>	Total
590,759	Schedule 335, Line 30, Column (c)
179	Schedule 339, Line 41, Column (c)
<u>23,450</u>	Schedule 342, Line 29, Column (c)
<u>614,388</u>	Total

Equipment (Column (c))

289,883	Schedule 410, Sum of lines 213,232,317, Column (h)
(3,406)	Shop Machinery
-	Other
<u>286,477</u>	Total
284,471	Schedule 335, Line 40, Column (c)
<u>2,006</u>	Schedule 342, Line 38, Column (c)
<u>286,477</u>	

Schedule 342 (Column (c))

23,450	Road
<u>2,006</u>	Equipment
<u>25,456</u>	Schedule 342, Line 39

Reconciliation of Accumulated Depreciation and Amortization to Schedule 200

8,628,230	Schedule 335, Line 41, Column (g)
<u>213,217</u>	Schedule 342, Line 39, Column (g)
<u>8,841,447</u>	
<u>8,841,447</u>	Schedule 200, Line 27, Column (b)

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

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	Expenditures during the year for original road and equipment, and road extensions (c)	Expenditures during the year for purchase of existing lines, reorganizations, etc. (d)	Line No.
1		(2) Land for transportation purpose	1,985,378			1
2		(3) Grading	2,934,359			2
3		(4) Other, right-of-way expenditures	8,948			3
4		(5) Tunnels and subways	260,951			4
5		(6) Bridges, trestles, and culverts	2,239,266			5
6		(7) Elevated structures	40,634			6
7		(8) Ties	3,476,167			7
8		(9) Rail and other track material	4,813,123			8
9		(11) Ballast	1,717,405			9
10		(13) Fences, snow sheds, and signs	7,033			10
11		(16) Station and office buildings	584,210			11
12		(17) Roadway buildings	49,890			12
13		(18) Water stations	0			13
14		(19) Fuel stations	57,735			14
15		(20) Shops and enginehouses	271,630			15
16		(22) Storage warehouses	4,143			16
17		(23) Wharves and docks	27			17
18		(24) Coal and ore wharves	173,260			18
19		(25) TOFC/COFC terminals	545,630			19
20		(26) Communications systems	445,437			20
21		(27) Signals and interlocker	1,120,181			21
22		(29) Power plants	2,787			22
23		(31) Power-transmissions systems	34,734			23
24		(35) Miscellaneous structures	16,110			24
25		(37) Roadway machines	428,236			25
26		(39) Public improvements-Construction	527,692			26
27		(44) Shop machinery	100,210			27
28		(45) Power-plant machinery	15,386			28
29		Other (specify and explain)	0			29
30		TOTAL EXPENDITURES FOR ROAD	21,860,562			30
31		(52) Locomotives *	3,872,566			31
32		(53) Freight-train cars	2,852,456			32
33		(54) Passenger-train cars	0			33
34		(55) Highway revenue equipment	160,515			34
35		(56) Floating equipment	0			35
36		(57) Work equipment	136,080			36
37		(58) Miscellaneous equipment	203,851			37
38		(59) Computer systems and word processing equip	350,766			38
39		TOTAL EQUIPMENT	7,576,234			39
40		(76) Interest during construction	0			40
41		(80) Other elements of investment	0			41
42		(90) Construction in progress	450,155			42
43		GRAND TOTAL	29,886,951			43

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

Line No.	Cross Check	Expenditures for additions during the year (e)	Credits for property retired during the year (f)	Net changes during the year (g)	Balance at close of year (h)	Line No.
1		12,135	2,007	10,128	1,995,506	1
2		41,592	824	40,768	2,975,127	2
3		15	0	15	8,963	3
4		53,681	0	53,681	314,632	4
5		77,313	3,489	73,824	2,313,090	5
6		4,025	0	4,025	44,659	6
7		267,061	78,945	188,116	3,664,283	7
8		303,030	86,968	216,062	5,029,185	8
9		128,627	34,110	94,517	1,811,922	9
10		793	0	793	7,826	10
11		17,842	300	17,542	601,752	11
12		0	1	(1)	49,889	12
13		0	0	0	0	13
14		2,821	(6)	2,827	60,562	14
15		16,804	313	16,491	288,121	15
16		0	0	0	4,143	16
17		34	0	34	61	17
18		3,807	1,415	2,392	175,652	18
19		21,618	1,254	20,364	565,994	19
20		46,987	7,995	38,992	484,429	20
21		97,250	10,041	87,209	1,207,390	21
22		0	0	0	2,787	22
23		13,057	8	13,049	47,783	23
24		2,083	0	2,083	18,193	24
25		37,618	7,000	30,618	458,854	25
26		57,181	17,764	39,417	567,109	26
27		10,845	229	10,616	110,826	27
28		0	0	0	15,386	28
29		0	0	0	0	29
30		1,216,219	252,657	963,562	22,824,124	30
31		71,913	17,544	54,369	3,926,935	31
32		49,218	73,653	(24,435)	2,828,021	32
33		0	0	0	0	33
34		12,940	11,003	1,937	162,452	34
35		0	0	0	0	35
36		5,507	1,774	3,733	139,813	36
37		17,166	9,338	7,828	211,679	37
38		32,446	3,930	28,516	379,282	38
39		189,190	117,242	71,948	7,648,182	39
40		0	0	0	0	40
41		0	0	0	0	41
42		(115,960)	9,357	(125,317)	324,838	42
43		1,289,449	379,256	910,193	30,797,144	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, and 36-25-00, inclusive. The composite rates used should be those prescribed or otherwise authorized by the Commission, except that where the use of component rates has been authorized, the composite rates to be shown for the respective primary accounts should be recomputed from the December charges developed by the use of the authorized rates. If any changes in rates were effective during the year, give full particulars in a footnote.

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

3 Show in columns (e), (f), and (g) data applicable to Lessor property, when the rent therefor is included in Account Nos. 31-11-00, 31-12-00, 31-13-00, 31-21-00, 31-22-00, and 31-23-00, inclusive.

4 If depreciation accruals have been discontinued for any account, the depreciation base should be reported, nevertheless, in support of depreciation reserves. Authority for the discontinuance of accruals should be shown in a footnote indicating the account(s) effected.

5 Disclosures in the respective sections of this schedule may be omitted if either total road leased from other or total equipment leased from others represents less than 5% of total road owned or total equipment owned, respectively.

Line No.	Account (a)	OWNED AND USED			Annual composite rate (percent) (d)	LEASED FROM OTHERS			Line No.
		Depreciation base		Annual composite rate (percent) (g)					
		1/1 At beginning of year (b)	12/1 At close of year (c)			1/1 At beginning of year (e)	12/1 At close of year (f)		
	ROAD								
1	(3) Grading	2,885,470	2,916,222	1.05%				1	
2	(4) Other, right-of-way expenditures	8,388	8,389	1.05%				2	
3	(5) Tunnels and subways	260,642	308,862	0.83%				3	
4	(6) Bridges, trestles, and culverts	2,200,639	2,245,031	1.03%				4	
5	(7) Elevated structures*	41,951	45,976	6.71%				5	
6	(8) Ties	3,297,429	3,454,035	3.13%				6	
7	(9) Rail and other track material	4,483,742	4,670,515	2.44%				7	
8	(11) Ballast	1,619,268	1,699,809	2.50%				8	
9	(13) Fences, snow sheds, and signs	6,805	7,227	1.05%				9	
10	(16) Station and office buildings	558,196	575,472	2.85%				10	
11	(17) Roadway buildings	49,686	49,685	2.56%				11	
12	(18) Water stations	0	0	2.33%				12	
13	(19) Fuel stations	57,336	59,384	3.20%				13	
14	(20) Shops and enginehouses	263,597	276,733	2.00%	NOT APPLICABLE - 5 % RULE			14	
15	(22) Storage warehouses	4,143	4,143	2.49%				15	
16	(23) Wharves and docks	27	27	2.86%				16	
17	(24) Coal and ore wharves	173,260	175,490	2.55%				17	
18	(25) TOFC/COFC terminals	537,689	556,506	3.07%				18	
19	(26) Communications systems	441,640	468,432	3.84%				19	
20	(27) Signals and interlocker	1,084,137	1,154,671	1.78%				20	
21	(29) Power plants	2,783	2,783	3.13%				21	
22	(31) Power-transmissions systems	34,216	45,339	2.50%				22	
23	(35) Miscellaneous structures	14,562	16,582	2.78%				23	
24	(37) Roadway machines	428,236	453,660	5.64%				24	
25	(39) Public improvements-Construction	498,309	549,004	2.63%				25	
26	(44) Shop machinery	100,210	109,540	3.40%				26	
27	(45) Power-plant machinery	15,385	15,385	2.33%				27	
28	All other road accounts	0	0	0.00%				28	
29	Amortization (Adjustments)	0	0	0.00%				29	
30	TOTAL ROAD	19,067,746	19,868,902	2.29%				30	
	EQUIPMENT								
31	(52) Locomotives	3,824,923	3,867,271	3.57%				31	
32	(53) Freight-train cars	2,851,176	2,833,995	3.29%				32	
33	(54) Passenger-train cars	0	0	0.00%				33	
34	(55) Highway revenue equipment	160,515	163,920	6.84%				34	
35	(56) Floating equipment	0	0	0.00%				35	
36	(57) Work equipment	134,289	138,392	2.32%				36	
37	(58) Miscellaneous equipment	203,851	218,194	7.46%				37	
38	(59) Computer systems and word processing equipment	350,012	375,734	12.96%				38	
39	TOTAL EQUIPMENT	7,524,766	7,597,506	4.09%				39	
40	GRAND TOTAL	26,592,512	27,466,408	2.79%				40	
* See Footnotes for Schedule 332 on Page 39.									

* See Footnotes for Schedule 332 on Page 39.

335. ACCUMULATED DEPRECIATION - ROAD AND EQUIPMENT OWNED AND USED
(Dollars in Thousands)

- 1 Disclose the required information in regard to credits and debits to Account No. 735, "Accumulated Depreciation; Road and Equipment Property," during the year relating to owned and used road and equipment. Include entries for depreciation of equipment owned but not used when the resulting rents are included in the "Lease Rentals - Credits - Equipment" accounts and "Other Rents - Credits - Equipment" accounts. Exclude any entries for depreciation of equipment that is used but not owned when the resulting rents are included in "Lease Rental - Debit - Equipment" account and "Other Rents - Debit - Equipment" accounts (See Schedule 351 for the accumulated depreciation to road and equipment owned and leased to others).
2. If any data are included in columns (d) or (f), explain the entries in detail.
3. A debit balance in columns (b) or (g) for any primary account should be designated "Dr."
4. If there is any inconsistency between the credits to the reserve as shown in column (c) and the charges to operating expenses, a full explanation should be given.
5. Enter amounts representing amortization under an authorized amortization program other than for defense projects on lines 29 and 39.

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO RESERVE During the year		DEBITS TO RESERVE During the year		Balance at close of year (g)	Line No.
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
		ROAD							
1		(3) Grading	416,947	70,501		826		486,622	1
2		(4) Other, right-of-way expenditures	1,462	113		0		1,575	2
3		(5) Tunnels and subways	32,969	3,417		0		36,376	3
4		(6) Bridges, trestles, and culverts	271,724	36,810		3,105		305,429	4
5		(7) Elevated structures	36,114	460		1		36,593	5
6		(8) Ties	1,071,113	164,136		114,636		1,120,615	6
7		(9) Rail and other track material	1,335,913	143,381		65,244		1,414,050	7
8		(11) Ballast	305,690	45,174		29,611		321,253	8
9		(13) Fences, snow sheds, and signs	3,527	77		1		3,603	9
10		(16) Station and office buildings	195,727	17,054		300		212,481	10
11		(17) Roadway buildings	26,187	1,294		1		27,480	11
12		(18) Water stations	0	0		0		0	12
13		(19) Fuel stations	10,971	1,997		(1)		12,969	13
14		(20) Shops and enginehouses	86,133	5,511		46		91,598	14
15		(22) Storage warehouses	1,556	103		0		1,659	15
16		(23) Wharves and docks	28	4		0		32	16
17		(24) Coal and ore wharves	81,667	4,428		1,414		84,681	17
18		(25) TOFC/COFC terminals	133,983	18,064		(614)		152,661	18
19		(26) Communications systems	229,790	17,659		7,998		239,453	19
20		(27) Signals and interlocker	225,773	20,621		9,928		236,468	20
21		(29) Power plants	2,262	96		0		2,358	21
22		(31) Power-transmissions systems	13,471	1,003		8		14,466	22
23		(35) Miscellaneous structures	6,721	434		0		7,155	23
24		(37) Roadway machines	163,513	25,299		6,999		181,813	24
25		(39) Public improvements-Construction	82,268	14,011		17,764		78,515	25
26		(44) Shop machinery*	38,818	3,406		229		41,985	26
27		(45) Power-plant machinery	9,098	390		(1)		9,489	27
28		All other road accounts	0	0		0		0	28
29		Amortization (Adjustments)	65,152	(4,706)		(1)		60,447	29
30		TOTAL ROAD	4,850,567	590,759	0	257,490	0	5,183,836	30
		EQUIPMENT							
31	*	(52) Locomotives	1,339,832	136,862		17,496		1,461,218	31
32	*	(53) Freight-train cars	1,288,130	94,787		45,914		1,337,003	32
33	*	(54) Passenger-train cars	0	0		0		0	33
34	*	(55) Highway revenue equipment	82,103	8,989		9,107		81,985	34
35	*	(56) Floating equipment	0	0		0		0	35
36	*	(57) Work equipment	48,753	3,175		1,370		50,558	36
37	*	(58) Miscellaneous equipment	78,183	16,116		9,354		84,945	37
38		(59) Computer systems and WP Equip.	226,430	46,602		3,917		289,115	38
39	*	Amortization Adjustments	183,650	(24,080)		0		159,570	39
40		TOTAL EQUIPMENT	3,247,081	284,471	0	87,158	0	3,444,394	40
41		GRAND TOTAL	8,097,648	875,230	0	344,648	0	8,628,230	41

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

339. ACCRUED LIABILITY – LEASED PROPERTY
(Dollars in Thousands)

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

Line No.	Account (a)	Balance at beginning of year (b)	CREDITS TO ACCOUNTS During the year		DEBITS TO ACCOUNTS During the year		Balance at close of year (g)	Line No.
			Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
	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		NOT APPLICABLE - 5 % RULE					13
14	(20) Shops and enginehouses							14
15	(22) Storage warehouses							15
16	(23) Wharves and docks							16
17	(24) Coal and ore wharves							17
18	(25) TOFC/COFC terminals							18
19	(26) Communications systems							19
20	(27) Signals and interlocker							20
21	(29) Power plants							21
22	(31) Power-transmissions systems							22
23	(35) Miscellaneous structures							23
24	(37) Roadway machines							24
25	(39) Public Improvements-Construction							25
26	(44) Shop machinery*							26
27	(45) Power-plant machinery							27
28	All other road accounts							28
29	Amortization (Adjustments)							29
30	TOTAL ROAD							30
	EQUIPMENT							
31	(52) Locomotives							31
32	(53) Freight-train cars							32
33	(54) Passenger-train cars							33
34	(55) Highway revenue equipment							34
35	(56) Floating equipment							35
36	(57) Work equipment							36
37	(58) Miscellaneous equipment							37
38	(59) Computer systems and word processing equipment							38
39	Amortization Adjustments							39
40	TOTAL EQUIPMENT							40
41	GRAND TOTAL	5,203	179				5,382	41

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

340. DEPRECIATION BASE AND RATES – IMPROVEMENTS TO ROAD AND EQUIPMENT LEASED FROM OTHERS
(Dollars in Thousands)

1. Show in column (b) for each primary account the depreciation base used in computing the depreciation charges for the month of January, and in column (c) show the depreciation base used in computing the depreciation charges for the month of December, in column (d) show the composite rates used in computing the depreciation charges for the month of December, and on lines 30 and 40 of these columns show the composite percentage of all road and equipment accounts, respectively, ascertained by applying the primary account composite rates to the depreciation base used in computing the charges for December and dividing the total so computed by the total depreciation base for the same month. This schedule should include only improvements to leased property charges to Account 732, "Improvements on Leased Property." The composite rates used should be those prescribed or otherwise authorized by the Commission, except that where the use of component rates has been authorized, the composite rates to be shown for the respective primary accounts should be recomputed from the December charges developed by the use of the authorized rates. If any changes in rates were effective during the year, give full particulars in a footnote.
2. All improvements to leased properties may be combined and one composite rate computed for each primary account, or a separate schedule may be included for each such property.
3. If depreciation accruals have been discontinued for any account, the depreciation base should be reported, nevertheless, in support of depreciation reserves. Authority for the discontinuance of accruals should be shown in a footnote indicating the account(s) affected.
4. Disclosures in the respective sections of this schedule may be omitted if either total road leased from others or total equipment leased from others represents less than 5% of total road owned or total equipment owned, respectively. However, line 41, Grand Total, should be completed.

Line No	Account (a)	Depreciation base		Annual composite rate (percent) (d)	No.
		At beginning of year (b)	At close of year (c)		
	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	NOT APPLICABLE - 5 % RULE			14
15	(22) Storage warehouses				15
16	(23) Wharves and docks				16
17	(24) Coal and ore wharves				17
18	(25) TOFC/COFC terminals				18
19	(26) Communications systems				19
20	(27) Signals and interlocker				20
21	(29) Power plants				21
22	(31) Power-transmission systems				22
23	(35) Miscellaneous structures				23
24	(37) Roadway machines				24
25	(39) Public Improvements-Construction				25
26	(44) Shop machinery*				26
27	(45) Power-plant machinery				27
28	All other road accounts				28
29	Amortization (Adjustments)				29
30	TOTAL ROAD				30
	EQUIPMENT				
31	(52) Locomotives				31
32	(53) Freight-train cars				32
33	(54) Passenger-train cars				33
34	(55) Highway revenue equipment				34
35	(56) Floating equipment				35
36	(57) Work equipment				36
37	(58) Miscellaneous equipment				37
38	(59) Computer systems and word processing equipment				38
39	Amortization Adjustments				39
40	TOTAL EQUIPMENT				40
41	GRAND TOTAL	671,993	706,529	3.67%	41

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

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

- 1 Enter the required information concerning debits and credits to Account 733, "Accumulated Depreciation – Improvements of Leased Property," during the year relating to improvements made to road and equipment property leased from others, the depreciation charges for which are included in operating expenses of the respondent.
- 2 If any entries are made for column (d) "Other credits" or column (f) "Other debits," state the facts occasioning such entries on page 39. A debit balance in column (b) or (g) for any primary account should be shown in parenthesis or designated "Dr."
- 3 Any inconsistency between the credits to the reserve as shown in column (c) and the charges to operating expenses should be fully explained on page 39.
- 4 Show in column (e) the debits to the reserve arising from retirements. These debits should not exceed investment, etc.
- 5 Details in the respective sections of this schedule may be omitted if either total road leased from others or total equipment leased from others represents less than 5% of total road owned or total equipment owned, respectively. However, line 39, Grand Total should be completed.

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO RESERVE 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)		
		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		NOT APPLICABLE - 5 % RULE					13
14		(20) Shops and enginehouses							14
15		(22) Storage warehouses							15
16		(23) Wharves and docks							16
17		(24) Coal and ore wharves							17
18		(25) TOFC/COFC terminals							18
19		(26) Communications systems							19
20		(27) Signals and interlocker							20
21		(29) Power plants							21
22		(31) Power-transmissions systems							22
23		(35) Miscellaneous structures							23
24		(37) Roadway machines							24
25		(39) Public improvements-Construction							25
26		(44) Shop machinery*							26
27		(45) Power-plant machinery							27
28		All other road accounts							28
29		TOTAL ROAD							29
		EQUIPMENT							
30		(52) Locomotives							30
31		(53) Freight-train cars							31
32		(54) Passenger-train cars							32
33		(55) Highway revenue equipment							33
34		(56) Floating equipment							34
35		(57) Work equipment							35
36		(58) Miscellaneous equipment							36
37		(59) Computer systems and WP equip.							37
38		TOTAL EQUIPMENT							38
39		GRAND TOTAL	210,838	25,456	0	23,075	0	213,217	39

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

NOTES AND REMARKS

SCHEDULE 332

NS whole life rates are disclosed per Column (d).

During 2004, NS discontinued depreciation accruals on \$38,166,131 of investment in ICC 7 account because the facility at Kopperston, WV was fully depreciated.

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 included 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 account composite rates to the depreciation base used to compute the depreciation for December and dividing the total also computed by the depreciation base
4. If depreciation accruals have been discontinued for any account, the depreciation base should be reported, nevertheless, in support of depreciation reserves. Authority for the discontinuance of accruals should be shown in a footnote indicating the accounts affected.
5. Disclosures in the respective sections of this schedule may be omitted if either total road leased to others or total equipment leased to others represents less than 5% of total road owned or total equipment owned, respectively. However, Line 39, Grand Total, should be completed.

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

Included in Schedule 332

351. ACCUMULATED DEPRECIATION – ROAD AND EQUIPMENT LEASED TO OTHERS

(Dollars in Thousands)

1 This schedule is to be used in cases where the depreciation reserve is carried in the accounts of the respondent and the rent therefrom is included in Accounts 32-11-00, 32-12-00, 32-13-00, 32-21-00, 32-22-00, and 32-23-00

2 Disclose credits and debits to Account 735, "Accumulated Depreciation – Road and Equipment Property," during the year relating to road and equipment leased to others, the depreciation charges for which are not includible in operating expenses of the respondent (See Schedule 330 for the reserve relating to road and equipment owned and used by the respondent)

3. If any entries are made for column (d) "Other credits" or column (f) "Other debits," state the facts occasioning such entries on page 39. A debit balance in columns (b) or (g) for any primary account should be shown in parenthesis or designated "Dr."

4 Disclosures in the respective sections of this schedule may be omitted if either total road leased to others or total equipment leased from others represents less than 5% of total road owned or total equipment owned, respectively. However, line 39, Grand Total, should be completed

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

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

Included in Schedule 335

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

1. Disclose the investment in railway property used in transportation service at the close of the year. This investment represents the aggregate of property owned or leased by respondent and used in respondent's transportation service. Such property includes (a) investment reported in Accounts 731, "Road and Equipment Property" and 732, "Improvements on Leased Property" of respondent, less any 731 or 732 property leased to others for their exclusive use of road, track, or bridges (including equipment or other railway property covered by the contract). Equipment leased to others under separate distinct contracts shall not be deducted from the respondent's 731 or 732 property, and (b) the investment of other companies' 731 or 732 property (including operating and lessor railroads) used by respondent when the lease is for exclusive use or control of roads, tracks or bridges (including equipment of other railway property covered by the contract). This excludes leased equipment from operating railroads under separate distinct contracts and the investment of other carriers in property jointly used by respondent.
2. In column (a), classify each company in this schedule as "R" for respondent, "L" for lessor railroad, "P" for inactive or proprietary company or "O" for other leased properties.
3. In column (a) to (e), inclusive, first show the data requested for respondent (R); next the data for companies whose entire properties are used in transportation service of the respondent, divided between lessor (L) and proprietary (P) companies; followed by data for carriers and others (O), portions of whose property are used in transportation service of respondent. Show a total for each class of company in column (d) and (e). Then show, as deductions, data for transportation property leased to carriers and others.
4. In column (c), line-haul carriers report the miles of road used in line-haul service. Report miles in whole numbers.
5. In column (d), show the amount applicable in Accounts 731 and 732 on the books of the companies whose names appear in column (b). Values of property of other carriers segregated by estimate or otherwise should correspond in amount to the deductions made by the owners in their reports. If separate value is not available, an explanation should be provided. Differences between amounts shown in column (d) of this schedule and column (c), line 24, on the asset side of the general balance sheet of each individual railway should be explained in a footnote. Book values included in Accounts 731 and 732 of the owner should be reported in column (d) in reference to the investment of respondent in securities of the owner unless a good reason can be given for the contrary. Methods of estimating (by capitalizing rentals at 6 % or otherwise) value of property of private owners, or portions of property of other carriers should be explained.
6. In column (e), show the amount of depreciation and amortization accrued as of the close of the year in Accounts 733, 734, 735, 736, and 772, that is applicable to the property of the carriers whose names are listed in column (b), regardless of where the reserves therefor are recorded.

Line No.	Class (See Ins. 2) (a)	Name of company (b)	Miles of road used (See Ins. 4) (whole number) (c)	Investments in property (See Ins. 5) (d)	Depreciation & amortization of defense projects (See Ins. 6) (e)	Line No.
1	R	Norfolk Southern Combined Railroad Subsidiaries	17,342	30,797,144	8,841,447	1
2						2
3	L	C & E Railroad Company	2	0		3
4	L	Cincinnati Southern Railway	335	53,089		4
5	L	Pittsburgh & West Virginia Railroad	121	49,593	30,971	5
6	L	P & WV Subleased to Wheeling & Lake Erie	(121)	(49,593)	(30,971)	6
7		SUB-TOTAL	337	53,089	0	7
8						8
9	O	Baltimore & Ohio Railroad		53		9
10	O	Carolina Aluminum Company	11	674		10
11	O	Central Transfer & Storage		12		11
12	O	Chicago & Illinois Midland Railway Company	10	13		12
13	O	Georgia Railroad & Banking Company		2		13
14		SUB-TOTAL	21	754	0	14
15						15
16		Less Lines Leased to or Operated by Others				16
17	R	Aberdeen Carolina Western	104	14,907		17
18	R	Adrienne Blissfield Railroad	2	246		18
19	R	Athens Lines LLC	38	6,223		19
20	R	BN Railroad	27	2,864		20
21	R	Buffalo & Pittsburg Railroad	71	18,831		21
22	R	C & NC Railroad	22	2,477		22
23	R	C S X, Corp.	20	2,893		23
24	R	Carolina Coastal Railway	147	7,293		24
25	R	Central of Georgia	21	4,255		25

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352A. INVESTMENT IN RAILROAD PROPERTY USED IN TRANSPORTATION SERVICE (By Company) - Continued						
Line No.	Class (See Ins. 2) (a)	Name of company (b)	Miles of road used (See Ins. 4) (whole number) (c)	Investments in property (See Ins. 5) (d)	Depreciation & amortization of defense projects (See Ins. 6) (e)	Line No.
26	R	Central New York Railroad	123	63,694		26
27	R	Central Railroad Company of Indianapolis	38	5,862		27
28	R	Chattanooga Chickamauga Railway	19	2,163		28
29	R	Chesapeake & Albemarle Railway	77	10,211		29
30	R	Cleveland Commercial Railroad	24	26,045		30
31	R	Commonwealth Railway Company	13	1,345		31
32	R	East Chattanooga Belt Railway	4	605		32
33	R	Eastern Shore Railroad	5	558		33
34	R	Georgia & Florida Railway Company	58	7,559		34
35	R	Georgia Southwestern Railway	50	5,497		35
36	R	Grand Elk Railroad LLC	123	55,023		36
37	R	Great Walton Railroad Company	27	3,453		37
38	R	Iowa Interstate	14	1,496		38
39	R	Lehigh Railway	56	45,116		39
40	R	Metra	33	3,540		40
41	R	Ogeechee Railway	57	7,778		41
42	R	R J Corman Co. - Western Ohio Line	16	1,754		42
43	R	Railtex	72	10,675		43
44	R	South Carolina Central Railroad	79	10,379		44
45	R	West Tennessee Railway Company	138	19,958		45
46	R	Western New York & Pennsylvania Railroad Company	95	38,120		46
47	R	Yadkin Valley Railroad	93	8,776		47
48		SUB-TOTAL	1,666	389,596		0 48
49						49
50						50
51						51
52						52
53						53
54						54
55						55
56						56
57						57
58						58
59						59
60						60
61						61
62						62
63						63
64						64
65						65
66						66
67						67
68						68
69						69
70						70
71						71
72						72
73						73
74						74
75		TOTAL	16,034	30,461,391	8,841,447	75

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352B INVESTMENT IN RAILWAY PROPERTY USED IN TRANSPORTATION SERVICE
(By Property Accounts)
(Dollars in Thousands)

- 1 In column (b) through (e) give, by primary accounts, the amount of investment at the close of the year in property of respondent and each group or class of companies and properties
- 2 The amounts for respondent and for each group or class of companies and properties on line 44 should correspond with the amounts for each class of company and property shown in Schedule 352A. Continuing records shall be maintained by respondent of the primary property accounts separately for each company or property included in this schedule
- 3 Report on line 29 amounts representing capitalization or rentals for leased property based on 6% per year where property is not classified by accounts by noncarrier owners, or where cost of property leased from other carriers is not ascertainable. Identify noncarrier owners, and briefly explain on page 39 the methods of estimating value of property of noncarriers or property of other carriers.
- 4 Report on line 30 amounts not included in the accounts shown, or in line 29. The items reported should be briefly identified and explained. Also include here those items after permission is obtained from the Board for exceptions to prescribed accounting. Reference to such authority should be made when explaining amounts reported. Respondents must not make arbitrary changes to the printed stub or column headings without specific authority from the Board.

Line No.	Cross Check	Account (a)	Respondent (b)	Lessor railroads (c)	Inactive (proprietary companies) (d)	Other leased properties (e)	Line No.
1		(2) Land for transportation purpose	1,948,064	5,483		1	1
2		(3) Grading	2,921,682	21,826		12	2
3		(4) Other, right-of-way expenditures	7,039	137		0	3
4		(5) Tunnels and subways	314,632	5,574		0	4
5		(6) Bridges, trestles, and culverts	2,282,712	10,687		71	5
6		(7) Elevated structures	44,659	0		0	6
7		(8) Ties	3,575,414	1,174		225	7
8		(9) Rail and other track material	4,915,513	5,884		337	8
9		(11) Ballast	1,763,506	2,156		97	9
10		(13) Fences, snow sheds, and signs	7,764	181		0	10
11		(16) Station and office buildings	600,822	1,288		0	11
12		(17) Roadway buildings	49,867	71		0	12
13		(18) Water stations	0	24		0	13
14		(19) Fuel stations	60,549	70		0	14
15		(20) Shops and enginehouses	288,067	47		0	15
16		(22) Storage warehouses	4,143	0		0	16
17		(23) Wharves and docks	61	0		0	17
18		(24) Coal and ore wharves	175,199	0		0	18
19		(25) TOFC/COFC terminals	585,994	0		0	19
20		(26) Communications systems	483,986	204		5	20
21		(27) Signals and interlocker	1,204,933	866		3	21
22		(28) Power plants	2,787	0		0	22
23		(31) Power-transmission systems	47,671	0		0	23
24		(35) Miscellaneous structures	18,190	6		0	24
25		(37) Roadway machines	458,854	0		0	25
26		(39) Public improvements-Construction	586,228	1,445		3	26
27		(44) Shop machinery*	110,826	19		0	27
28		(45) Power-plant machinery	15,386	8		0	28
29		Leased property capitalized rentals (explain)		0		0	29
30		Other (specify and explain) Accts. 1 & 77		3,658		0	30
31		TOTAL EXPENDITURES FOR ROAD	22,434,528	60,618	0	754	31
32		(52) Locomotives	3,928,935	0		0	32
33		(53) Freight-train cars	2,828,021	0		0	33
34		(54) Passenger-train cars	0	0		0	34
35		(55) Highway revenue equipment	162,452	0		0	35
36		(56) Floating equipment	0	0		0	36
37		(57) Work equipment	139,813	0		0	37
38		(58) Miscellaneous equipment	211,679	0		0	38
39		(59) Computer systems and word processing equip	379,282	0		0	39
40		TOTAL EQUIPMENT	7,848,182	0	0	0	40
41		(76) Interest during construction	0	2,580		0	41
42		(80) Other elements of investment	0	(10,109)		0	42
43		(90) Construction in progress	324,838	0		0	43
44		GRAND TOTAL	30,407,548	53,089	0	754	44

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 410

Cross Checks

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

410. RAILWAY OPERATING EXPENSES
(Dollars in Thousands)

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

Line No.	Cross Check	Name of railway operating expense account (a)	FREIGHT						Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)				
		WAY AND STRUCTURES:	\$	\$	\$	\$	\$	\$	\$		
		ADMINISTRATION:									
1		Track	1,169	1,631	2,522	6,215	11,537			11,537	1
2		Bridge and Building	9	226	9,488	620	10,343			10,343	2
3		Signal	37	265	569	1,022	1,893			1,893	3
4		Communication	11	95	1,621	509	2,236			2,236	4
5		Other	1,443		1		1,444			1,444	5
		TOTAL ADMINISTRATION	2,669	2,217	14,201	8,366	27,453			27,453	
		REPAIR AND MAINTENANCE:									
6		Roadway - Running	19,499	411	28,275		48,185			48,185	6
7		Roadway - Switching	1,321	9	484		1,814			1,814	7
8		Tunnels and Subways - Running	3	1	89	3	96			96	8
9		Tunnels and Subways - Switching			6		6			6	9
10		Bridges and Culverts - Running	16,065	1,498	11,970	2,682	32,215			32,215	10
11		Bridges and Culverts - Switching	785	108	432	137	1,462			1,462	11
12		Ties - Running	4,232	3,840	56		8,128			8,128	12
13		Ties - Switching	176	216			392			392	13
14		Rail and Other Track Material - Running	30,017	9,458	24,881	9,404	73,760			73,760	14
15		Rail and Other Track Material - Switching	2,334	1,022	1,136	410	4,902			4,902	15
16		Ballast - Running	4,893	827	563	225	6,508			6,508	16
17		Ballast - Switching	323	59	38	14	434			434	17
18		Road Property Damaged - Running	3,190	5,500	4,378	72	13,140			13,140	18
19		Road Property Damaged - Switching									19
20		Road Property Damaged - Other	3	3	4	1	11			11	20
21		Signals and Interlockers - Running	13,445	10,175	6,132	1,232	30,984			30,984	21
22		Signals and Interlockers - Switching	2,891	244	19	30	2,984			2,984	22
23		Communications Systems	5,064	1,543	18,894	15	25,516			25,516	23
24		Power Systems	755	259	7		1,021			1,021	24
25		Highway Grade Crossings- Running	2,406	283	5,124	1,413	9,226			9,226	25
26		Highway Grade Crossings- Switching		25	145		170			170	26
27		Station and Office Buildings	1,228	1,425	9,696	1	12,348			12,348	27
28		Shop Buildings - Locomotives	2,866	2,178	4,530	1	9,375			9,375	28
29		Shop Buildings - Freight Cars	592	1,041	2,126		3,759	N/A		3,759	29
30		Shop Buildings - Other Equipment	17	34	91		142			142	30

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

Line No.	Cross Check	Name of railway operating expense account (a)	FREIGHT					General (e)	Total freight expense (f)	Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)							
101		REPAIR AND MAINTENANCE - Continued:										
102		Locomotive Servicing Facilities		1	18				19			19
103		Miscellaneous Buildings and Structures	508	329	4,501				5,338			101
104		Coal Terminals	2,127	1,779	1,192		1		5,099	N/A		102
105		Ore Terminals								N/A		103
106		Other Marine Terminals								N/A		104
107		TOFC/COFC Terminals	195	2,514	3,905				6,614	N/A		105
108		Motor Vehicle Loading and Distribution Facilities			387				387	N/A		106
109		Facilities for Other Specialized Service Operations	10	736	1,172		83		2,001	N/A		107
110		Roadway Machines	7,973	13,200	2,090		696		23,959			108
111		Small Tools and Supplies		20,872	1,525				22,397			109
112		Snow Removal	2,114	159	2,257		1		4,531			110
113		Fringe Benefits - Running	N/A	N/A	N/A		86,886		86,886			111
114		Fringe Benefits - Switching	N/A	N/A	N/A		3,579		3,579			112
115		Fringe Benefits - Other	N/A	N/A	N/A		8,813		8,813			113
116		Casualties and Insurance - Running	N/A	N/A	N/A		25,221		25,221			114
117		Casualties and Insurance - Switching	N/A	N/A	N/A		2,144		2,144			115
118		Casualties and Insurance - Other	N/A	N/A	N/A		6,322		6,322			116
119	*	Lease Rentals - Debit - Running	N/A	N/A	36,528		N/A		36,528			117
120	*	Lease Rentals - Debit - Switching	N/A	N/A	120,515		N/A		120,515			118
121	*	Lease Rentals - Debit - Other	N/A	N/A	23,402		N/A		23,402			119
122	*	Lease Rentals - (Credit) - Running	N/A	N/A	(7,368)		N/A		(7,368)			120
123	*	Lease Rentals - (Credit) - Switching	N/A	N/A			N/A					121
124	*	Lease Rentals - (Credit) - Other	N/A	N/A			N/A					122
125		Joint Facility Rent - Debit - Running	N/A	N/A	4,956		N/A		4,956			123
126		Joint Facility Rent - Debit - Switching	N/A	N/A	1,247		N/A		1,247			124
127		Joint Facility Rent - Debit - Other	N/A	N/A	91		N/A		91			125
128	*	Joint Facility Rent - (Credit) - Running	N/A	N/A	(7,983)		N/A		(7,983)			126
129	*	Joint Facility Rent - (Credit) - Switching	N/A	N/A	(946)		N/A		(946)			127
130	*	Joint Facility Rent - (Credit) - Other	N/A	N/A	(58)		N/A		(58)			128
131	*	Other Rents - Debit - Running	N/A	N/A	2,860		N/A		2,860			129
132	*	Other Rents - Debit - Switching	N/A	N/A	34		N/A		34			130
133	*	Other Rents - Debit - Other	N/A	N/A	1,935		N/A		1,935			131
134	*	Other Rents - (Credit) - Running	N/A	N/A			N/A					132
135	*	Other Rents - (Credit) - Switching	N/A	N/A			N/A					133
	*	Other Rents - (Credit) - Other	N/A	N/A	(1,101)		N/A		(1,101)			134
												135

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

410. RAILWAY OPERATING EXPENSES - Continued (Dollars in Thousands)											
Line No.	Cross Check	Name of railway operating expense account (a)	FREIGHT					Passenger (g)	Total (h)	Line No.	
			Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)				
REPAIR AND MAINTENANCE - Continued:											
136	*	Depreciation - Running	N/A	N/A	N/A	334,984	334,984			334,984	136
137	*	Depreciation - Switching	N/A	N/A	N/A	36,395	36,395			36,395	137
138	*	Depreciation - Other	N/A	N/A	N/A	230,773	230,773			230,773	138
139		Joint Facility - Debit - Running	N/A	N/A	39,029	N/A	39,029			39,029	139
140		Joint Facility - Debit - Switching	N/A	N/A	5,712	N/A	5,712			5,712	140
141		Joint Facility - Debit - Other	N/A	N/A	310	N/A	310			310	141
142		Joint Facility - (Credit) - Running	N/A	N/A	(28,676)	N/A	(28,676)			(28,676)	142
143		Joint Facility - (Credit) - Switching	N/A	N/A	(2,802)	N/A	(2,802)			(2,802)	143
144		Joint Facility - (Credit) - Other	N/A	N/A	(224)	N/A	(224)			(224)	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	1,224	3		1,011	2,238			2,238	148
149		Other - Switching			5		5			5	149
150		Other - Other	19		147		166			166	150
		TOTAL REPAIR AND MAINTENANCE	125,871	79,752	323,538	752,549	1,281,708			1,281,708	
151		TOTAL WAY AND STRUCTURES	128,540	81,969	337,737	760,915	1,309,161			1,309,161	151
EQUIPMENT:											
LOCOMOTIVES:											
201		Administration	6,830	313	1,231	1,083	9,457			9,457	201
202	*	Repair and Maintenance	80,156	132,876	13,518	134	226,684			226,684	202
203	*	Machinery Repair	3,293	2,587	749		6,629			6,629	203
204		Equipment Damaged	79	307	29		415			415	204
205		Fringe Benefits	N/A	N/A	N/A	38,561	38,561			38,561	205
206		Other Casualties and Insurance	N/A	N/A	N/A	22,037	22,037			22,037	206
207	*	Lease Rentals - Debit	N/A	N/A	11,613	N/A	11,613			11,613	207
208	*	Lease Rentals - (Credit)	N/A	N/A	(5,048)	N/A	(5,048)			(5,048)	208
209		Joint Facility Rent - Debit	N/A	N/A		N/A					209
210	*	Joint Facility Rent - (Credit)	N/A	N/A		N/A					210
211	*	Other Rents - Debit	N/A	N/A	241	N/A	241			241	211
212	*	Other Rents - (Credit)	N/A	N/A		N/A					212
213	*	Depreciation	N/A	N/A		137,446	137,446			137,446	213
214		Joint Facility - Debit	N/A	N/A	1	N/A	1			1	214
215		Joint Facility - (Credit)	N/A	N/A		N/A					215
216	*	Repairs Billed to Others - (Credit)	N/A	N/A	(1,110)	N/A	(1,110)			(1,110)	216
217		Dismantling Retired Property									217

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

Line No.	Cross Check	Name of railway operating expense account (a)	FREIGHT					Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)			
218		LOCOMOTIVES - Continued:								
219		Other	6,618	19		7	6,644			218
		TOTAL LOCOMOTIVES	96,976	136,102	21,224	199,268	453,570			219
		FREIGHT CARS:								
220		Administration	3,064	1,471	2,612	4,035	11,182	N/A		220
221	*	Repair and Maintenance	40,219	62,332	57,554	215	160,320	N/A		221
222	*	Machinery Repair	728	1,203	3,147		5,078	N/A		222
223		Equipment Damaged	5,420	4,848			10,268	N/A		223
224		Fringe Benefits	N/A	N/A	N/A	20,279	20,279	N/A		224
225		Other Casualties and Insurance	N/A	N/A	N/A	13,472	13,472	N/A		225
226	*	Lease Rentals - Debit	N/A	N/A	69,113	N/A	69,113	N/A		226
227	*	Lease Rentals - (Credit)	N/A	N/A	(5,709)	N/A	(5,709)	N/A		227
228		Joint Facility Rent - Debit	N/A	N/A		N/A		N/A		228
229	*	Joint Facility Rent - (Credit)	N/A	N/A		N/A		N/A		229
230	*	Other Rents - Debit	N/A	N/A	386,196	N/A	386,196	N/A		230
231	*	Other Rents - (Credit)	N/A	N/A	(175,376)	N/A	(175,376)	N/A		231
232	*	Depreciation	N/A	N/A	N/A	90,323	90,323	N/A		232
233		Joint Facility - Debit	N/A	N/A		N/A		N/A		233
234		Joint Facility - (Credit)	N/A	N/A		N/A		N/A		234
235	*	Repairs Billed to Others - (Credit)	N/A	N/A	(51,077)	N/A	(51,077)	N/A		235
236		Dismantling Retired Property						N/A		236
237		Other	5,435	14,967		120	20,522	N/A		237
238		TOTAL FREIGHT CARS	54,866	84,821	286,480	128,444	554,591	N/A		238
		OTHER EQUIPMENT:								
301		Administration		522	9	2,374	2,905			301
		Repair and Maintenance:								
302	*	Trucks, Trailers and Containers - Revenue Service		2,146	38,152	73	40,371	N/A		302
303	*	Floating Equipment - Revenue Service						N/A		303
304	*	Passenger and Other Revenue Equipment								304
305	*	Computer Systems and Word Processing Equipment		505	42,519		43,024			305
306	*	Machinery	197	332	22		551			306
307	*	Work and Other Non-Revenue Equipment	836	1,261	7,026	3	9,126			307
308		Machinery								308
309		Fringe Benefits	N/A	N/A		2,297	2,297			309
310		Other Casualties and Insurance	N/A	N/A		1,079	1,079			310
311	*	Lease Rentals - Debit	N/A	N/A	31,985	N/A	31,985			311

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

Line No.	Cross Check	Name of railway operating expense account (a)	FREIGHT					Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)			
		OTHER EQUIPMENT - Continued.								
312	*	Lease Rentals - (Credit)	N/A	N/A	(1)	N/A	(1)		(1)	312
313		Joint Facility Rent - Debit	N/A	N/A	70	N/A	70		70	313
314	*	Joint Facility Rent - (Credit)	N/A	N/A	(5)	N/A	(5)		(5)	314
315	*	Other Rents - Debit	N/A	N/A	19,603	N/A	19,603		19,603	315
316	*	Other Rents - (Credit)	N/A	N/A	(15,948)	N/A	(15,948)		(15,948)	316
317	*	Depreciation	N/A	N/A	N/A	62,114	62,114		62,114	317
318		Joint Facility - Debit	N/A	N/A	77	N/A	77		77	318
319		Joint Facility - (Credit)	N/A	N/A		N/A				319
320	*	Repairs Billed to Others - (Credit)	N/A	N/A	(3,847)	N/A	(3,847)		(3,847)	320
321		Dismantling Retired Property								321
322		Other								322
323		TOTAL OTHER EQUIPMENT	1,033	4,766	119,662	67,940	193,401		193,401	323
324		TOTAL EQUIPMENT	152,875	225,689	427,346	395,652	1,201,582		1,201,582	324
		TRANSPORTATION.								
		TRAIN OPERATIONS:								
401		Administration	4,376	3,738	7,981	12,782	28,877		28,877	401
402		Engine Crews	267,541	52	20,389	12,656	300,638		300,638	402
403		Train Crews	248,903	1,800	14,396	10,753	273,652		273,652	403
404		Dispatching Trains	33,912	7		80	33,999		33,999	404
405		Operating Signals and Interlockers	23,908	152	19	281	24,360		24,360	405
406		Operating Drawbridges	4,014				4,014		4,014	406
407		Highway Crossing Protection	43	50	5,708		5,801		5,801	407
408		Train Inspection and Lubrication	57,161	302			57,463		57,463	408
409	*	Locomotive Fuel		601,636	14		601,650		601,650	409
410		Electric Power Purchased or Produced for Motive Power								410
411		Servicing Locomotives	23,332	8,957	7,290		39,579		39,579	411
412		Freight Lost or Damaged - Solely Related		N/A	N/A					412
413		Clearing Wrecks	8	35	7,108		7,149		7,149	413
414		Fringe Benefits		N/A	N/A	270,334	270,334		270,334	414
415		Other Casualties and Insurance	N/A	N/A	N/A	16,279	16,279		16,279	415
416		Joint Facility - Debit	N/A	N/A	687	N/A	687		687	416
417		Joint Facility - (Credit)	N/A	N/A	(130)	N/A	(130)		(130)	417
418		Other	202	104	81,415	315	82,036		82,036	418
419		TOTAL TRAIN OPERATIONS	661,400	616,633	144,875	323,480	1,746,388		1,746,388	419

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)			
420		YARD OPERATIONS:								
421		Administration	493	274	1,580	1,210	3,557		3,557	420
422		Switch Crews	161,437	1,059	21,329	475	184,300		184,300	421
423		Controlling Operations	30,585	1	15		30,801		30,801	422
424		Yard and Terminal Clerical	7,138	5,873	2,129	484	15,604		15,604	423
425	*	Operating Switches, Signals, Retarders and Humps		734	32		766		766	424
426		Locomotive Fuel		43,654			43,654		43,654	425
427		Electric Power Purchased or Produced for Motive Power								426
428		Servicing Locomotives	671				671		671	427
429		Freight Lost or Damaged - Solely Related	N/A	N/A	N/A					428
430		Clearing Wrecks	126				126		126	429
431		Fringe Benefits		N/A	N/A	80,345	80,345		80,345	430
432		Other Casualties and Insurance		N/A	N/A	4,675	4,675		4,675	431
433		Joint Facility - Debit	N/A	N/A	6,325	N/A	6,325		6,325	432
434		Joint Facility - (Credit)	N/A	N/A	(667)	N/A	(667)		(667)	433
435		Other			9	1	10		10	434
		TOTAL YARD OPERATIONS	200,450	51,595	30,752	87,170	369,967		369,967	435
501		TRAIN AND YARD OPERATIONS COMMON:								
502		Cleaning Car Interiors	490	1	1,798	N/A	2,289		2,289	501
503		Adjusting and Transferring Loads	45	34	358	N/A	437	N/A	437	502
504		Car Loading Devices and Grain Doors	7			N/A	7	N/A	7	503
505		Freight Lost or Damaged - All Other		N/A	N/A	3,388	3,388		3,388	504
506		Fringe Benefits		N/A	N/A	171	171		171	505
		TOTAL TRAIN AND YARD OPERATIONS COMMON	542	35	2,156	3,559	6,292		6,292	506
507	*	SPECIALIZED SERVICES OPERATIONS:								
508	*	Administration	19,235	1,118	8,554	1,372	30,279	N/A	30,279	507
509	*	Pickup and Delivery and Marine Line Haul	7,764	41,344	112,059	132	161,299	N/A	161,299	508
510	*	Loading and Unloading and Local Marine	6,226	3,038	227,437	84	236,763	N/A	236,763	509
511	*	Protective Services	1	439	188		608	N/A	608	510
512	*	Freight Lost or Damaged - Solely Related	N/A	N/A	N/A			N/A		511
513	*	Fringe Benefits	N/A	N/A	N/A	4,682	4,682	N/A	4,682	512
514	*	Casualties and Insurance	N/A	N/A	N/A	738	738	N/A	738	513
515	*	Joint Facility - Debit	N/A	N/A	123	N/A	123	N/A	123	514
516	*	Joint Facility - (Credit)	N/A	N/A		N/A		N/A		515
517	*	Other						N/A		516
		TOTAL SPECIALIZED SERVICES OPERATIONS	33,226	45,937	348,341	6,988	434,492	N/A	434,492	517

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

410. RAILWAY OPERATING EXPENSES - Continued (Dollars in Thousands)											
Line No.	Cross Check	Name of railway operating expense account (a)	FREIGHT					Passenger (g)	Total (h)	Line No.	
			Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)				
518		ADMINISTRATIVE SUPPORT OPERATIONS: Administration		121	295	777	1,193			1,193	518
519		Employees Performing Clerical and Accounting Functions	23,206	1,050	1,858	101	26,215			26,215	519
520		Communications Systems Operation	3,557			16	3,573			3,573	520
521		Loss and Damage Claims Processing	56	33	1,080	151	1,320			1,320	521
522		Fringe Benefits	N/A	N/A	N/A	9,927	9,927			9,927	522
523		Casualties and Insurance	N/A	N/A	N/A	538	538			538	523
524		Joint Facility - Debit	N/A	N/A		N/A					524
525		Joint Facility - (Credit)	N/A	N/A		N/A					525
526		Other									526
527		TOTAL ADMINISTRATIVE SUPPORT OPERATIONS	26,819	1,204	3,233	11,510	42,766			42,766	527
528		TOTAL TRANSPORTATION	922,437	715,404	529,357	432,707	2,599,905			2,599,905	528
GENERAL AND ADMINISTRATIVE:											
601		Officers - General Administration	62	1,158	888	1,785	3,693			3,693	601
602		Accounting, Auditing and Finance	4,079	642	8,765	1,018	14,504			14,504	602
603		Management Services and Data Processing	14	604	22,114	839	23,571			23,571	603
604		Marketing	508	285	3,717	3,753	8,261			8,261	604
605		Sales		60	82	239	381			381	605
606		Industrial Development	92	98	173	157	520	N/A		520	606
607		Personnel and Labor Relations	262	270	5,862	4,592	10,986			10,986	607
608		Legal and Secretarial		358	56,112	2,614	59,084			59,084	608
609		Public Relations and Advertising		512	3,596	989	5,097			5,097	609
610		Research and Development									610
611		Fringe Benefits		N/A	N/A	2,755	2,755			2,755	611
612		Casualties and Insurance	N/A	N/A	N/A	9,336	9,336			9,336	612
613		Write-down of Uncollectible Accounts	N/A	N/A	N/A	3,452	3,452			3,452	613
614		Property Taxes	N/A	N/A	N/A	100,569	100,569			100,569	614
615		Other Taxes Except on Corporate Income or Payrolls	N/A	N/A	N/A	6,716	6,716			6,716	615
616		Joint Facility - Debit	N/A	N/A	9	N/A	9			9	616
617		Joint Facility - (Credit)	N/A	N/A		N/A					617
618		Other	1,100	1,721	702,327	125,934	831,082			831,082	618
619		TOTAL GENERAL AND ADMINISTRATIVE	6,115	5,708	803,445	264,748	1,080,016			1,080,016	619
620	*	TOTAL CARRIER OPERATING EXPENSES	1,209,967	1,028,770	2,097,885	1,854,022	6,190,644			6,190,644	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 to the net amount reported in Schedule 410, column (f), lines 118 through 123, plus lines 130 through 135. If an entire road or segment of track is leased and if the actual breakdown of lease/rentals by property categories is not known, apportion the lease/rentals based on the percentage of the categories' depreciation bases to the depreciation bases for all categories of depreciable leased property. Use Schedule 352B of this report for obtaining the depreciation bases of the categories of leased property.
4. Amortization adjustment of each road property type which is included in column (b) shall be repeated in column (d) as a debit or credit to the appropriate line item; the net adjustment on line 29 shall equal the adjustment reported on line 29 of Schedule 335.
5. Report on line 28 all other lease rentals not apportioned to any category listed on lines 1-27.
6. Line 11, Account 16, should not include computer and data processing equipment reported on line 37 of Schedule 415.

Line No.	Cross Check	Property Account	Category (a)	Depreciation (b)	Lease/Rentals (net) (c)	Amortization adjustment during year (d)	Line No.
1		2	Land for transportation purpose	N/A	N/A		1
2		3	Grading	70,412	20,652	(537)	2
3		4	Other, right-of-way expenditures	148	43	(18)	3
4		5	Tunnels and subways	3,474	1,019	49	4
5		6	Bridges, trestles, and culverts	36,993	10,850	(649)	5
6		7	Elevated structures	109	32	(422)	6
7		8	Ties	171,663	50,347	(458)	7
8		9	Rail and other track material	152,850	44,829	2,159	8
9		11	Ballast	48,922	14,348	181	9
10		13	Fences, snow sheds, and signs	74	22	(8)	10
11		16	Station and office buildings	16,167	4,742	(1,612)	11
12		17	Roadway buildings	1,187	348	(136)	12
13		18	Water stations	2	1	0	13
14		19	Fuel stations	1,941	569	(68)	14
15		20	Shops and enginehouses	5,451	1,599	(111)	15
16		22	Storage warehouses	104	30	(2)	16
17		23	Wharves and docks	4	1	0	17
18		24	Coal and ore wharves	4,425	1,298	(3)	18
19		25	TOFC/COFC terminals	18,169	5,329	(205)	19
20		26	Communications systems	16,888	4,953	(919)	20
21		27	Signals and interlocker	21,026	6,167	(393)	21
22		29	Power plants	86	25	(23)	22
23		31	Power-transmissions systems	958	281	(59)	23
24		35	Miscellaneous structures	417	122	(62)	24
25		37	Roadway machines	15,391	4,514	(1,079)	25
26		39	Public improvements-Construction	14,928	4,378	(304)	26
27		45	Power plant machines	363	106	(27)	27
28			Other lease/rentals				28
29	*		Total	602,152	176,605	(4,706)	29

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

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

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

Line No.	Cross Check	Type of Equipment (a)	GROSS AMOUNTS RECEIVABLE Per diem basis			GROSS AMOUNTS PAYABLE Per diem basis			Line No.
			Private line cars (b)	Mileage (c)	Time (d)	Private line cars (e)	Mileage (f)	Time (g)	
CAR TYPES									
1		Box-Plain 40 Foot							1
2		Box-Plain 50 Foot and Longer		202	644	10,770	1,580	7,549	2
3		Box-Equipped		8,410	24,869	197	8,910	35,671	3
4		Gondola-Plain		268	1,096	652	553	1,798	4
5		Gondola-Equipped		3,172	16,962	49	2,123	8,884	5
6		Hopper-Covered		842	6,032	6,079	3,262	13,515	6
7		Hopper-Open Top-General Service		270	2,198	6	257	1,085	7
8		Hopper-Open Top-Special Service		132	1,424	5	191	845	8
9		Refrigerator-Mechanical				13	639	2,268	9
10		Refrigerator-Non-Mechanical		30	90	10	721	1,784	10
11		Flat-TOFC/COFC		5	4,056	60,779	5,358	20,630	11
12		Flat-Multi-Level		3,907	57,100	55,973	2,459	42,603	12
13		Flat-General Service		55	234	70	27	53	13
14		Flat-Other		361	1,895	10,992	2,633	10,352	14
15		Tank-Under 22,000 Gallons				7,894			15
16		Tank-22,000 Gallons and Over				9,194			16
17		All Other Freight Cars		11	1,573	2	61	610	17
18		Auto Racks			41,538			47,110	18
19		TOTAL FREIGHT TRAIN CARS		15,665	159,711	162,685	28,774	194,737	19
OTHER FREIGHT CARRYING EQUIPMENT									
20		Refrigerated Trailers							20
21		Other Trailers							21
22		Refrigerated Containers							22
23		Other Containers			15,948	3,272		16,069	23
24	*	TOTAL TRAILERS AND CONTAINERS			15,948	3,272		16,069	24
25		GRAND TOTAL (LINES 19 AND 24)		15,665	175,659	165,957	28,774	210,806	25

NOTES AND REMARKS

GENERAL INSTRUCTIONS CONCERNING RETURNS TO BE MADE TO SCHEDULE 415

1. Report freight expenses only.
2. Report by type of equipment all natural expenses relating to equipment functions (salaries and wages, materials, tools, supplies, fuels and lubricants, purchased services, and general).
3. Report in column (b) net repair expense, excluding the cost to repair damaged equipment.
Schedule 415, column (b) will balance to Schedule 410, column (f) as follows:
 - (a) Locomotives, line 5 plus line 38, compared to the sum of Schedule 410, lines 202, 203, and 216 (excluding wreck repairs). Do not report in Schedule 415, Equipment Damaged from Schedule 410, line 204.
 - (b) Freight cars, line 24 plus line 39, compared to the sum of Schedule 410, lines 221, 222, and 235 (excluding wreck repairs). Do not report in Schedule 415, Equipment Damaged from Schedule 410, line 223.
 - (c) Sum of highway equipment (line 32), floating equipment (line 35), passenger and other revenue equipment (line 36), computer and data processing equipment (line 37), machinery-other equipment (line 40), and work and other non-revenue equipment (line 41), compared to Schedule 410, the sum of lines 302 through 307, plus line 320 (excluding wreck repairs). Do not report in Schedule 415, equipment damaged from Schedule 410, line 308.

Note: Lines 216, 235, and 320 of Schedule 410 are credit amounts.
The allocation of freight car repair expenses reportable on Schedule 415 by car types shall be in accordance with Instruction 2-21, Freight train repair costing, 49 CFR 1201.
4. Depreciation expense for each class of equipment by car type shall be reported in columns (c) and (d). For improvements on leased property, Accounts 732 and 733, use a supplementary Schedule 415, which will relate to Schedules 340 and 342.
Depreciation charges reported in columns (c) and (d) will balance to Schedule 410, column (f) as follows:
 - (a) Locomotives, lines 5 and 38, compared to Schedule 410, line 213.
 - (b) Freight cars, lines 24 and 39, compared to Schedule 410, line 232.
 - (c) Sum of highway equipment (line 32), floating equipment (line 35), passenger and other revenue equipment (line 36), computer and data processing equipment (line 37), machinery-other equipment (line 40), and work and other non-revenue equipment (line 41), compared to Schedule 410, line 317.
5. Amortization adjustment of each equipment type which is included in column (c) shall be reported in column (e) as a debit or credit to the appropriate line item. The net adjustment on line 43 shall equal the equipment amortization adjustment applicable to equipment used in freight service included in line 39, column (c), of Schedule 335.
6. Lease/rentals reported in column (f) should balance to column (f) of Schedule 410 as follows:
 - (a) Locomotives, lines 5 and 38, compared to Schedule 410, lines 207, 208, 211, and 212.
 - (b) Freight cars, lines 24 and 39, compared to Schedule 410, lines 226 and 227 (note that Schedule 410, lines 230 and 231, are reported in Schedule 415, and are not included in Schedule 415).
 - (c) Sum of lease/rentals for all other equipment, lines 32, 35, 36, 37, 40, and 41, will balance to Schedule 410, lines 311, 312, 315, and 316, except for the interchange rental on trailers and containers which is reported in Schedule 414. Therefore, both Schedules 414 and 415 should be used when balancing lease/rentals other equipment to Schedule 410. Do not report in Schedule 415, the trailer and container rentals reported in Schedule 414.
7. Investment base by types of equipment shall be reported in columns (g) and (h) and should not include the cost of equipment used but not owned when rents therefor are included in the rent for equipment and Account Nos. 31-21-00, 31-22-00, 31-23-00, 35-21-00, 35-22-00, and 35-23-00. It should include the cost of equipment owned and leased to others when the rents are included in the rent for Equipment Account Nos. 32-21-00, 32-22-00, 32-23-00, 36-21-00, 36-22-00, and 36-23-00.
Property used but not owned should also be included when the rent is included in Account Nos. 31-12-00, 31-13-00, 31-21-00, 31-22-00, and 31-23-00, inclusive.
The grand total of each equipment account in column (h) of Schedule 330 should equal the totals of line items constituting the equipment account totals of columns (g) and (h) of Schedule 415.
8. Accumulated depreciation for each class of equipment shall be reported in columns (i) and (j). The grand total of each equipment reserve account in column (g), Schedule 335, shall equal the combined aggregate total accumulated depreciation for line items constituting the corresponding equipment accounts reported in columns (i) and (j), on Schedule 415.

415. SUPPORTING SCHEDULE – EQUIPMENT

(Dollars in Thousands)

See also schedule 415 (supplement) on pages 57A and B.

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	13,857	3,792		(118)	1
2		Diesel Locomotive - Road	211,717	121,564	9,058	(4,335)	2
3		Other Locomotive - Yard		15			3
4		Other Locomotive - Road					4
5	*	TOTAL	225,574	125,371	9,058	(4,453)	5
		FREIGHT TRAIN CARS					
6		Box - Plain 40 Foot					6
7		Box - Plain 50 Foot and Longer	892	27		(13)	7
8		Box - Equipped	23,218	7,422		(5,553)	8
9		Gondola - Plain	16,359	31,391		11,645	9
10		Gondola - Equipped	18,272	454		(7,414)	10
11		Hopper - Covered	21,144	2,864		(2,560)	11
12		Hopper - Open Top - General Service	7,958	15,702	27	117	12
13		Hopper - Open Top - Special Service	4,703	5,958		59	13
14		Refrigerator - Mechanical	309				14
15		Refrigerator - Nonmechanical	139				15
16		Flat TOFC/COFC	2,378	163		48	16
17		Flat Multi - level	2,974	(1,018)		(2,151)	17
18		Flat - General Service	108	84		(2)	18
19		Flat - Other	4,492	2,217		479	19
20		All Other Freight Cars	7,523	2,855		651	20
21		Cabooses	92	190		(2)	21
22		Auto Racks	(1,318)	17,513	11	(108)	22
23		Miscellaneous Accessories (see note 4)		4,123			23
24	*	TOTAL FREIGHT TRAIN CARS	109,243	89,945	38	(4,804)	24
		OTHER EQUIPMENT - REVENUE					
25		FREIGHT HIGHWAY EQUIPMENT					
		Refrigerated Trailers		84			25
26		Other Trailers	2,816	8,248		(600)	26
27		Refrigerated Containers					27
28		Other Containers	10,074	51			28
29		Bogies					29
30		Chassis	23,634	6			30
31		Other Highway Equipment (Freight)					31
32	*	TOTAL HIGHWAY EQUIPMENT	36,524	8,389		(600)	32
		FLOATING EQUIPMENT - REVENUE SERVICE					
33		Manne Line - Haul					33
34		Local Marine					34
35	*	TOTAL FLOATING EQUIPMENT					35
		OTHER EQUIPMENT					
36	*	Passenger & Other Revenue Equipment (Freight Portion)					36
37	*	Computer systems & word processing equip.	43,024	35,191		(11,411)	37
38	*	Machinery - Locomotives (see note 1)	6,629	1,011			38
39	*	Machinery - Freight Cars (see note 2)	5,078	340			39
40	*	Machinery - Other Equipment (see note 3)	551	2,055			40
41	*	Work & Other Non - revenue Equipment	9,126	16,479		(2,812)	41
42		TOTAL OTHER EQUIPMENT	64,408	55,076		(14,223)	42
43		TOTAL ALL EQUIPMENT (FREIGHT PORTION)	435,749	278,781	9,096	(24,080)	43

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

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

Note 3 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.

Note 4 End of train devices and miscellaneous spare parts previously reported in lines 20 and 22, respectively.

415. SUPPORTING SCHEDULE – EQUIPMENT

(Dollars in Thousands)

See also schedule 415 (supplement) on pages 57A and B.

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			97,700		67,200		1
2		2,484	3,540,433	239,261	1,300,540	93,463	2
3			1,923		15		3
4							4
5		2,484	3,640,056	239,261	1,367,755	93,463	5
6							6
7			1,377		25,816		7
8		8,869	455,738		268,843		8
9		4,338	552,409		262,830		9
10		25,511	375,354		159,861		10
11		12,407	257,227		149,950		11
12		3,488	461,976	949	172,263	144	12
13			197,752		54,176		13
14							14
15							15
16		(2,091)	4,527		3,593		16
17		9,450	28,894		22,397		17
18		745	3,332		2,791		18
19			73,891		30,295		19
20			63,017		21,428		20
21			5,203		2,654		21
22		599	315,787		133,018		22
23			29,308		26,944		23
24		63,316	2,825,792	949	1,336,859	144	24
25			1,083		351		25
26		29,160	160,530		81,129		26
27							27
28		2,674	750		51		28
29							29
30			89		454		30
31							31
32		31,834	162,452		81,985		32
33							33
34							34
35							35
36							36
37		150	379,282		269,115		37
38		241	32,896		12,465		38
39			11,063		4,192		39
40			66,867		25,338		40
41		262	351,492		135,503		41
42		653	841,600		446,613		42
43		98,287	7,469,900	240,210	3,233,212	93,607	43

Note 1 Data reported on lines 38, 39 and 40 in columns (g) and (h) are the investment recorded in property account 44, allocated to locomotives, freight cars and other equipment.

Note 2 Depreciation 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). This calculation should equal the amount shown in column (c), Schedule 335.

415. SUPPORTING SCHEDULE – IMPROVEMENTS TO EQUIPMENT LEASED FROM OTHERS

(Dollars in Thousands)

****SUPPLEMENT****

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					1
2		Diesel Locomotive - Road		2,006			2
3		Other Locomotive - Yard					3
4		Other Locomotive - Road					4
5	*	TOTAL		2,006			5
		FREIGHT TRAIN CARS					
6		Box - Plain 40 Foot					6
7		Box - Plain 50 Foot and Longer					7
8		Box - Equipped					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		Fiat TOFC/COFC					16
17		Fiat Multi - level					17
18		Fiat - General Service					18
19		Fiat - Other					19
20		All Other Freight Cars					20
21		Cabooses					21
22		Auto Racks					22
23		Miscellaneous Accessories (see note 4)					23
24	*	TOTAL FREIGHT TRAIN CARS					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 & Other Revenue Equipment (Freight Portion)					36
37	*	Computer systems & word processing equip.					37
38	*	Machinery - Locomotives (see note 1)					38
39	*	Machinery - Freight Cars (see note 2)					39
40	*	Machinery - Other Equipment (see note 3)					40
41	*	Work & Other Non - revenue Equipment					41
42		TOTAL OTHER EQUIPMENT					42
43		TOTAL ALL EQUIPMENT (FREIGHT PORTION)		2,006			43

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

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

Note 3 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.

Note 4 End of train devices and miscellaneous spare parts previously reported in lines 20 and 22, respectively.

** "Owned" refers only to ownership of the leasehold improvement.

415. SUPPORTING SCHEDULE – IMPROVEMENTS TO EQUIPMENT LEASED FROM OTHERS

(Dollars in Thousands)

SUPPLEMENT

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							1
2		4,081	47,618		9,517		2
3							3
4							4
5		4,081	47,618		9,517		5
6							6
7							7
8		8	2		2		8
9							9
10		80	472		472		10
11							11
12							12
13							13
14							14
15							15
16							16
17							17
18							18
19							19
20							20
21							21
22			806		806		22
23							23
24		88	1,280		1,280		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		4,169	48,898		10,797		43

Note 1 Data reported on lines 38, 39 and 40 in columns (g) and (h) are the investment recorded in property account 44, allocated to locomotives, freight cars and other equipment.

Note 2 Depreciation 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). This calculation should equal the amount shown in column (c), Schedule 335.

** "Owned" refers only to ownership of the leasehold improvement.

416. SUPPORTING SCHEDULE – ROAD
(Dollars in Thousands)

Line No.	Density category (Class) (a)	Account No. (b)	Owned and used			Improvements to leased property			Capitalized leases			TOTAL		
			Inv. Base (c)	Accum depr. (d)	Depr. rate % (e)	Inv. Base (f)	Accum. depr. (g)	Depr. rate % (h)	Inv. base (i)	Current year Amort. (j)	Accum. Amort. (k)	Inv. Base (l)	Accum Depr. & Amort. (m)	Line No.
1	I	3	1,273,328	205,693	1.05%							1,273,328	205,693	1
2		8	1,647,371	512,078	3.13%							1,647,371	512,078	2
3		9	2,247,314	654,607	2.89%							2,247,314	654,607	3
4		11	808,897	150,100	2.50%							808,897	150,100	4
5	SUB-TOTAL		5,976,910	1,522,478								5,976,910	1,522,478	5
6	II	3	1,176,431	190,035	1.05%							1,176,431	190,035	6
7		8	1,380,645	429,212	3.13%							1,380,645	429,212	7
8		9	1,906,734	555,420	2.52%							1,906,734	555,420	8
9		11	687,625	127,598	2.50%							687,625	127,598	9
10	SUB-TOTAL		5,151,435	1,302,265								5,151,435	1,302,265	10
11	III	3	19,851	N/A	N/A					N/A	N/A	19,851		11
12		8	37,397	N/A	N/A					N/A	N/A	37,397		12
13		9	36,434	N/A	N/A					N/A	N/A	36,434		13
14		11	12,791	N/A	N/A					N/A	N/A	12,791		14
15	SUB-TOTAL		106,473							N/A	N/A	106,473	0	15
16	IV	3	505,517	81,628	1.05%							505,517	81,628	16
17		8	598,870	186,138	3.13%							598,870	186,138	17
18		9	838,703	244,333	1.91%							838,703	244,333	18
19		11	302,609	56,154	2.50%							302,609	56,154	19
20	SUB-TOTAL		2,245,699	568,253								2,245,699	568,253	20
21	V	3												21
22		8												22
23		9												23
24		11												24
25	SUB-TOTAL		0	0								0	0	25
26	GRAND TOTAL		13,480,517	3,392,996	N/A			N/A				13,480,517	3,392,996	26

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

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

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

NOTES AND REMARKS

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, purchased services, and general) incurred in the operation of each type of specialized service facility. This schedule does not include switching services performed by train and yard crews in connection with or within specialized service facilities.
3. When it is necessary to apportion 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	28,800		1,052			0		427	30,279	1
2		Pick up and delivery, marine line haul	144,224		2,932			47		14,096	161,299	2
3		Loading and unloading and local marine	182,545		11,022			43,065		131	236,763	3
4		Protective services, total debit and credits			0			0	608	0	608	4
5	*	Freight lost or damaged—solely related									0	5
6		Fringe benefits	3,739		943						4,682	6
7		Casualty and insurance	738								738	7
8		Joint facility — Debit	123								123	8
9		Joint facility — Credit									0	9
10	*	Other									0	10
11		TOTAL	360,169	0	15,949	0	0	43,112	608	14,654	434,492	11

NOTES AND REMARKS

450. ANALYSIS OF TAXES
 (Dollars in Thousands)

A. Railway Taxes

Line No.	Cross Check	Kind of tax	Amount	Line No.
1		Other than U.S. Government Taxes	126,130	1
		U. S. Government Taxes		
		Income Taxes		
2		Normal Tax and Surtax	278,090	2
3		Excess Profits		3
4	*	Total - Income Taxes L 2 + 3	278,090	4
5		Railroad Retirement	317,359	5
6		Hospital Insurance	29,376	6
7		Supplemental Annuities		7
8		Unemployment Insurance	9,807	8
9		All Other United States Taxes		9
10		Total - U. S. Government Taxes	634,632	10
11		Total - Railway Taxes	760,762	11

B. Adjustments to Federal Income Taxes

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

Line No.	Particulars (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.: Guideline lives pursuant to Rev. Proc. 62-21.		0			1
2	Accelerated Amortization of Facilities, Sec. 168 I.R.C.		0			2
3	Accelerated amortization of rolling stock, Sec. 184 I.R.C.		0			3
4	Amortization of rights of way, Sec. 185 I. R. C.		0			4
5	Property	6,750,985	231,455		6,982,440	5
6	Other (Specify) - Tax Benefit Transfer Leases	23,103	(588)		22,515	6
7	Reserves, including casualty & other claims	(209,076)	48,562		(160,514)	7
8	Compensation and Benefits	(503,426)	52,911	47,779	(402,736)	8
9	Miscellaneous	90,514	34,257	289	125,060	9
10	Unrealized Holding Gains	338,129	0	41,996	380,125	10
11						11
12						12
13						13
14						14
15						15
16						16
17						17
18						18
19	TOTALS	6,490,229	366,597	90,064	6,946,890	19

Adjustments in column (d) represent adjustments for Accounting Standards Codification 715 and 320.

450. ANALYSIS OF TAXES - Continued
(Dollars in Thousands)

*Footnotes:

1. If flow-through method was elected, indicate net decrease (or increase) in tax accrual because of investment tax credit	-0-
If deferral method for investment tax credit was elected:	
(1) Indicate amount of credit utilized as a reduction of tax liability for current year	N/A
(2) Deduct amount of current year's credit applied to reduction of tax liability but deferred for accounting purposes	N/A
(3) Balance of current year's credit used to reduce current year's tax accrual	N/A
(4) Add amount of prior year's deferred credits being amortized to reduce current year's tax accrual	N/A
(5) Total decrease in current year's tax accrual resulting from use of investment tax credit	N/A
2. Estimated amount of future earnings which can be realized before paying Federal income taxes because of unused and available net operating loss carryover on January 1 of the year following that for which the report is made	None

460. ITEMS IN SELECTED INCOME AND RETAINED EARNINGS ACCOUNTS FOR THE YEAR
(Dollars in Thousands)

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

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

Line No.	Account No. (a)	Item (b)	Debits (c)	Credits (d)	Line No.
1					1
2	519	Growth in cash surrender value of corporate owned life insurance		96,244	2
3					3
4	519	Proceeds from corporate owned life insurance		21,154	4
5					5
6	519	Net gain on the disposition of property		10,610	6
7					7
8	616	Accounting Standard Codification 715	172		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 year after the date of issue. Items of less than \$50,000 may be shown as one total.

Line No.	Names of all parties principally and primarily liable (a)	Description (b)	Amount of contingent liability (c)	Sole or joint contingent liability (d)	Line No.
1					1
2					2
3					3
4					4
5					5
6					6
7	(a) Terminal R.R. Assoc. of St. Louis	Refunding & Improvement Mortgage Series "C" bonds due 7/1/2019 (FD14553-54)	7,287 & int.	Joint and Several	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	(a) Jointly and Severally with BNSF, CSX Transp., CN and UP				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					33
34					34

2. If any corporation or other association was under obligation as guarantor or surety for the performance by the respondent of any agreement or obligation, show the particulars called for hereunder for each such contract of guaranty or suretyship in effect at the close of the year or entered into and expired during the year.

This inquiry does not cover the case of ordinary commercial paper maturing on demand or not later than 2 years after date of issue, nor does it include ordinary surety bonds or undertakings on appeals in court proceedings.

Line No.	Finance Docket number, title, maturity date and concise description of agreement or obligation (a)	Names of all guarantors and sureties (b)	Amount contingent liability of guarantors (c)	Sole or joint contingent liability (d)	Line No.
1					1
2					2
3					3
4					4
5					5
6					6
7					7
8					8
9					9

502. COMPENSATING BALANCES AND SHORT-TERM BORROWING ARRANGEMENTS

(Dollars in Thousands)

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

1. Disclose compensating balances not legally restricted, lines of credit used and unused, average interest rate of short-term borrowings outstanding at balance sheet date, maximum amount of outstanding borrowings during the period and the weighted average rate of those borrowings.
2. Time deposits and certificates of deposit constituting compensating balances not legally restricted should be disclosed.
3. Compensating balance arrangements need only be disclosed for the latest fiscal year.
4. Compensating balances included in Account 703, Special Deposits, and in Account 717, Other Funds, should also be separately disclosed below.
5. Compensating balance arrangements are sufficiently material to require disclosure in footnotes when the aggregate of written and oral agreement balances amount to 15 percent or more of liquid assets (current cash balances, restricted and unrestricted plus marketable securities).
6. When a carrier is not in compliance with a compensating balance requirement, that fact should be disclosed along with stated and possible sanctions whenever such possible sanctions may be immediate (not vague or unpredictable) and material.

The Company has outstanding letters of credit in the amount of \$12 million, with various banks, under which no borrowings were outstanding as of December 31, 2009.

NOTES AND REMARKS

SCHEDULE 510 SEPARATION OF DEBTHOLDINGS BETWEEN ROAD PROPERTY AND EQUIPMENT
(Dollars in Thousands)

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

I. Debt Outstanding at End of Year:

Line No.	Account No.	Title	Source	Balance at Close of Year
1	751	Loans and Notes Payable	Sch. 200, L. 30	100,000
2	764	Equipment Obligations and Other Long Term Debt due Within One Year	Sch. 200, L. 39	73,846
3	765/767	Funded Debt Unmatured	Sch. 200, L. 41	619,026
4	766	Equipment Obligations	Sch. 200, L. 42	77,253
5	766.5	Capitalized Lease Obligations	Sch. 200, L. 43	32,848
6	768	Debt in Default	Sch. 200, L. 44	0
7	769	Accounts Payable; Affiliated Companies	Sch. 200, L. 45	1,017,822
8	770.1/770.2	Unamortized Debt Premium	Sch. 200, L. 46	114,693
9		Total Debt	Sum L. 1-8	2,035,488
10		Debt Directly Related to Road Property	Note 1.	29,761
11		Debt Directly Related to Equipment	Note 1.	168,580
12		Total Debt Directly Related to Road & Equipment	Sum L. 10 and 11	198,341
13		Percent Directly Related to Road	L. 10 div. by L. 12 Whole % + 2 decimals	15.00%
14		Percent Directly Related to Equipment	L. 11 div. by L. 12 Whole % + 2 decimals	85.00%
15		Debt Not Directly Related to Road or Equipment	L. 9 - L. 12	1,837,147
16		Road Property Debt (Note 2)	(L. 13 x L. 15) + L. 10	305,333
17		Equipment Debt (Note 2)	(L. 14 x L. 15) + L. 11	1,730,155

II. Interest Accrued During the Year:

Line No.	Account No.	Title	Source	Balance at Close of Year
18	546-548	Total Interest and Amortization (Fixed Charges)	Sch. 210, L. 42	166,540
19	546	Contingent Interest on Funded Debt	Sch. 210, L. 44	0
20	517	Release of Premiums on Funded Debt	Sch. 210, L. 22	0
21		Total Interest (Note 3)	(L. 18 + L. 19) - L. 20	166,540
22		Interest Directly Related to Road Property Debt	Note 4	1,604
23		Interest Directly Related to Equipment Debt	Note 4	8,117
24		Interest Not Directly Related to Road or Equipment Property Debt	L. 21 - (L. 22 + L. 23)	156,819 *
25		Interest Road Property Debt (Note 5)	L. 22 + (L. 24 x L. 13)	25,127
26		Interest Equipment Debt (Note 5)	L. 23 + (L. 24 x L. 14)	141,413
27		Embedded Rate of Debt Capital - Road Property	L. 25 div. by L. 16	8.23%
28		Embedded Rate of Debt Capital - Equipment	L. 26 div. by L. 17	8.17%

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

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

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

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

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

*Net of capitalized interest \$(16,855). Amount on line 24 primarily represents "Other Interest expense" that does not relate to conventional debt as reported on line 9

NOTES AND REMARKS

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 512

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

To be excluded are payments for the following types of services
 - (a) Lawful tariff charges for transportation services.
 - (b) Payments to or from other carriers for interline services and interchange of equipment.
 - (c) Payment to or from other carriers which may reasonably be regarded as ordinarily connected with routine operation or maintenance, but any special or unusual transactions should be reported.
 - (d) Payments to public utility companies for rates or charges fixed in conformity with government authority.
2. In column (a) enter the name of the affiliated company, person, or agent with which respondent received or provided services aggregating \$50,000 or more during the year. If an affiliated company provides services to more than one affiliate, and the aggregate compensation amounts to \$50,000 or more for the year, list all the affiliates included in the agreement and describe the allocation of charges. If the respondent provides services to more than one affiliate, and the aggregate compensation amounts to \$50,000 or more for the year, reference to this fact should be made and the detail as to the allocation of charges should be stated. For those affiliates providing services to the respondent, also enter in column (a) the percent of affiliate's gross income derived from transactions with respondent.
3. In column (b) indicate the nature of the relationship or control between the respondent and the company or person identified in column (a) as follows:
 - (a) If respondent directly controls the affiliate, insert the word "direct."
 - (b) If respondent controls through another company, insert the word "indirect."
 - (c) If respondent is under common control with affiliate, insert the word "common."
 - (d) If respondent is controlled directly or indirectly by the company listed in column (a), insert the word "controlled."
 - (e) If control is exercised by other means, such as a management contract or other arrangement of whatever kind, insert the word "other" and provide a footnote to describe such arrangements.
4. In column (c), fully describe the transactions involved such as management fees, lease of building, purchase of material, etc. When the affiliate listed in column (a) provides more than one type of service in column (c), list each type of service separately and show the total for the affiliate. When services are both provided and received between respondent and an affiliate they should be listed separately and the amounts shown separately in column (e).
5. In column (d), report the dollar amounts of transactions shown and the effect of any change in the method of establishing the terms from that used in the preceding period.
6. In column (e), report the dollar amounts due from or to related parties and, if not otherwise apparent, the terms and manner of settlement. Insert (P) for paid or (R) for received by the amount in column (e).

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

SCHEDULE 512. TRANSACTIONS BETWEEN RESPONDENT AND COMPANIES OR PERSONS AFFILIATED WITH RESPONDENT FOR SERVICES RECEIVED OR PROVIDED							
Line No.	Name of company or related party with percent of gross income (a)	%	Nature of relationship (b)	Description of transactions (c)	Dollar amounts of transactions (000's) (d)	Amount due from or to related parties (e)	Line No.
1							1
2	If NS Rail provides rail transportation services to any of these entities, it does so in the normal course of business at applicable tariff or contract rates, both of which are subject to STB jurisdiction and review.						2
3							3
4	Conrail Inc. and CRC		Other	(See note 1)			4
5	Norfolk Southern Corporation		Controlled	(See note 1)			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

Note 1 - See note 10 to Schedule 200 on page 10.

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 700

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

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

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

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

In Column (a) insert the figure (and letter, if any) indicating its class in accordance with the above list of classifications.

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

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

WAY SWITCHING TRACKS - Station, team, industry, and other switching tracks for which no separate service is maintained

YARD SWITCHING TRACKS - Yard where separate switching services are maintained, including classification, house, team, industry, and other tracks switched by yard locomotives

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

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

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

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

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

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

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

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

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

700. MILEAGE OPERATED AT CLOSE OF YEAR										
Line No.	Class	Proportion owned or leased by Respondent	Running tracks, passing tracks, crossovers, etc.				Miles of way switching tracks (g)	Miles of yard switching tracks (h)	TOTAL (i)	Line No.
			Miles of road (c)	Miles of second main track (d)	Miles of all other main tracks (e)	Miles of passing tracks, cross-overs, and turnouts (f)				
1	1	100%	15,665	2,642	169	1,986	2,546	5,723	28,731	1
2	1	50%	7	5		5	15	13	45	2
3	1	33%	4	4		4		5	17	3
4	1J	75%						7	7	4
5	1J	67%						4	4	5
6	1J	50%				1	12	23	36	6
7	1J	33%					3	2	5	7
8										8
9		Total Class 1	15,676	2,651	169	1,996	2,576	5,777	28,845	9
10										10
11										11
12	3	100%	23	9			5		37	12
13	3A	100%						2	2	13
14	3B	100%	337	171	4	32	47	79	670	14
15	3BJ	50%				1		5	6	15
16										16
17		Total Class 3	360	180	4	33	52	86	715	17
18										18
19										19
20	4	100%	6				1	33	40	20
21	4B	100%	6						6	21
22	4BJ	50%	5				1		6	22
23										23
24		Total Class 4	17				2	33	52	24
25										25
26										26
27	5	100%	4,570	1,204	590	382	129	662	7,537	27
28										28
29		Total Class 5	4,570	1,204	590	382	129	662	7,537	29
30										30
31										31
32										32
33										33
34										34
35										35
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49										49
50										50
51										51
52										52
53										53
54										54
55										55
56										56
57		TOTAL	20,623	4,035	763	2,411	2,759	6,558	37,149	57
58		Miles of electrified road or track included in preceding grand total	N/A							58

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

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

Line No.	Cross Check	State or territory (a)	MILES OF ROAD OPERATED BY RESPONDENT								Line No.
			Line owned (b)	Line of proprietary companies (c)	Line operated under lease (d)	Line operated under contract etc. (e)	Line operated under trackage rights (f)	Total mileage operated (g)	Line owned not operated by respondent (h)	New line constructed during year (i)	
1		Alabama	1,280				92	1,372	21		1
2		Canada					301	301			2
3		Delaware	160				43	203			3
4		District of Columbia					13	13			4
5		Florida	96				53	149			5
6		Georgia	1,769				9	1,778	326		6
7		Illinois	847				413	1,260	63		7
8		Indiana	1,247		2		265	1,514	73		8
9		Iowa	6			1	37	44	41		9
10		Kansas					2	2			10
11		Kentucky	156		212		63	431			11
12		Louisiana	77				4	81			12
13		Maryland	95				174	269			13
14		Michigan	303				230	533	111		14
15		Mississippi	209				2	211			15
16		Missouri	344				65	409			16
17		New Jersey	126				807	933			17
18		New York	494				294	788	154		18
19		North Carolina	924			11	364	1,299	418		19
20		Ohio	1,800		10		398	2,208	41		20
21		Pennsylvania	1,640			5	637	2,282	191		21
22		South Carolina	679				104	783	16		22
23		Tennessee	666		136		46	848	144		23
24		Virginia	1,972				107	2,079	93		24
25		West Virginia	786				47	833	14		25
26											26
27											27
28											28
29											29
30											30
31											31
32		TOTAL MILEAGE (single track)	15,676		360	17	4,570	20,623	1,706		32

NOTES AND REMARKS

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 710

Instructions for reporting locomotive and passenger-train car data.

1. Give particulars of each of the various classes of equipment which respondent owned or leased during the year
 2. In column (c), give the number of units purchased new or built in company shops. In column (d), give the number of new units leased from others. The term "new" means a unit placed in service for the first time on any railroad.
 3. Units leased to others for a period of one year or more are reportable in column (f). Units temporarily out of respondent's service and rented to others for less than one year are to be included in column (h). Units rented from others for a period less than one year should not be included in column (f).
 4. For reporting purposes, a "locomotive unit" is a self-propelled vehicle generating or converting energy into motion, and designed solely for moving other equipment. An "A" unit is the least number of wheel bases with superstructure designed for use singly or as a lead locomotive unit in combination with other locomotive units. A "B" unit is similar to an "A" unit but it is not equipped for use singly or as a lead locomotive unit. A "B" unit may be equipped with hostler controls for independent operation at terminals.
 5. A "self-propelled" car is a rail motor car propelled by electric motors receiving power from a third rail or overhead, or internal combustion engines located on the car itself. Trailers equipped for use only in trains of cars that are self-propelled are to be included as self-propelled equipment.
 6. A "diesel" unit includes all units propelled by diesel internal combustion engines regardless of final drive or whether power may at times be supplied from an external conductor. Units other than diesel-electric, e.g., diesel-hydraulic, should be identified in a footnote, giving the number and a brief description. An "electric" unit includes all units which receive electric power from a third rail or overhead contact wire, and use the power to drive one or more electric motors that propel the vehicle. An "other self-powered unit" includes all units other than diesel or electric, e.g., gas turbine, steam. Show the type of unit, service, and number, as appropriate, in a brief description sufficient for positive identification. An "Auxiliary unit" includes all units used in conjunction with locomotives, but which draw their power from the "mother" unit, e.g., boosters, slugs, etc. For reporting purposes, indicate radio-controlled self-powered diesel units on lines 1 through 8, as appropriate. Radio-controlled units that are not self-propelled, i.e., those without a diesel, should be reported on line 13 under "auxiliary units."
7. Column (k) should show aggregate capacity for all units reported in column (f), as follows:
For locomotive units, report the manufacturer's rated horsepower (the maximum continuous power output from the diesel engines 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 (f) | = Line 11, column (f) |
| Line 6, column (f) | = Line 12, column (f) |
| Line 7, column (f) | = Line 13, column (f) |
| Line 8, column (f) | = Line 14, column (f) |
| Line 9, column (f) | = Line 15, column (f) |
| Line 10, column (f) | = Line 16, column (f) |
- When data appear in column (f), lines 1 through 8, column (k) should have data on the same lines.
- When data appear in columns (k) or (f), lines 36 through 53, and 55, column (m) should have data on the same lines

710. INVENTORY OF EQUIPMENT (Continued)														
UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS														
Line No.	Cross Check	Type or design of units (a)	Changes During the Year					Units retired from service of respondent whether owned or leased, including reclassification (g)	Units at Close of Year				Line No.	
			Units installed				Leased from others (i)		Total in service of respondent (col. (h) & (i)) (j)	Aggregate capacity of units reported in col. (j) (see ins. 7) (k)	Leased to others (l)			
			Units in service of respondent at beginning of year (b)	New units purchased or built (c)	New units leased from others (d)	Rebuilt units acquired and rebuilt units rewritten into property accounts (e)						All other units including reclassification and second hand units purchased or leased from others (f)		
17		PASSENGER-TRAIN CARS Non-Self-Propelled Coaches (PA, PB, PBC)												17
18		Combined cars												18
19		(All class C, except CSB)												19
20		Parlor cars (PBC, PC, PL, PO)												20
21		Sleeping cars (PS, PT, PAS, PDS)												21
22		Dining, grill and tavern cars												22
23		(All class D, PD)												23
24		Non-passenger carrying cars												24
25		(All class B, CSB, M, PSA, 1A)												25
26		TOTAL (lines 17 to 22)												26
27		Self-Propelled												27
28		Electric passenger cars												28
29		(EP, ET)												29
30		Electric combined cars (EC)												30
31		Internal combustion rail motorcars												31
32		(ED, EG)												32
33		Other self-propelled cars												33
34		(Specify types)												34
35		TOTAL (lines 24 to 27)												35
36		TOTAL (lines 23 and 28)												36
37		COMPANY SERVICE CARS												37
38		Business cars (PV)	26							26		N/A		38
39		Board outfit cars (MWX)	278					4	274	274		N/A		39
40		Derrick and snow removal cars												40
41		(MWL, MWV, MWW, MWK)	311					24	287	287		N/A		41
42		Dump and ballast cars												42
43		(MWB, MWD)	482				240	4	478	240	718	N/A		43
44		Other maintenance and service equipment cars	3,709					147	3,559	3	3,562	N/A		44
45		TOTAL (lines 30 to 34)	4,806				240	179	4,624	243	4,867	N/A		45

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 (i).

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)	
36		FREIGHT TRAIN CARS Plain box cars - 40' (B1__, B2__)							36
37		Plain box cars - 50' and longer (B3_0-7, B4_0-7, B5__, B6__, B7__, B8__)	504						37
38		Equipped box cars (All Code A, Except A_5_)	16,460						38
39		Plain gondola cars (All Codes G & J__1, J__2, J__3, J__4)	19,957						39
40		Equipped gondola cars (All Code E)	18,606					631	40
41		Covered hopper cars (C__1, C__2, C__3, C__4)	11,352		514			1	41
42		Open top hopper cars - general service (All Code H)	14,958					2	42
43		Open top hopper cars - special service (J__O, and All Code K)	4,190						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__)	906					10	46
47		Flat cars - multi-level (All Code V)	990						47
48		Flat cars - general service (F10_, F20_, F30_)	131					0	48
49		Flat cars - other (F_1_, F_2_, F_3_, F_4_, F_5_, F_6_, F_8_, F40_)	1,937					37	49
50		Tank cars - under 22,000 gallons (T__0, T__1, T__2, T__3, T__4, T__5)							50
51		Tank cars - 22,000 gallons and over (T__6, T__7, T__8, T__9)		23					51
52		All other freight cars (A_5_, F_7_, All Code L and Q8__)	4,472					4	52
53		TOTAL (lines 36 to 52)	94,463	23	514			685	53
54		Caboose (All Code M-930)	N/A	174					54
55		TOTAL (lines 53, 54)	94,463	197	514			685	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 customarily carry.

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

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

Line No.	Cross Check	Changes during year (concluded)	Units at close of year						Line No.
		Units retired from service of respondent whether owned or leased including reclassification (h)	Owned and Used (i)	Leased from others (j)	Units installed				
					Total in service of respondent		Aggregate capacity of units reported in col. (k) & (l) (see ins. 4) (m)	Leased to others (n)	
					(col. (i) & (j))				
					Time-mileage cars (k)	All Others (l)			
36									36
37		1	42	461	503		51,832		37
38		1,857	13,614	989	14,603		1,188,552		38
39		1,362	17,830	765	18,595		2,116,632		39
40		674	13,681	4,882	18,563		1,892,026		40
41		1,093	8,421	2,353	10,774		1,188,372		41
42		835	13,320	805	14,125		1,542,710		42
43		15	4,175		4,175		452,614		43
44									44
45									45
46		1	195	720	915		73,138		46
47		43	433	514	947		40,385		47
48		2	129		129		10,221		48
49		17	1,861	96	1,957		191,801		49
50									50
51			4	19		23	2,269		51
52		19	4,457		4,457		220,392		52
53		5,919	78,162	11,604	89,743	23	8,968,944		53
54		3	171		N/A	171	N/A		54
55		5,922	78,333	11,604	89,743	194	8,968,944		55

710. INVENTORY OF EQUIPMENT - Continued

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

UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS									
Line No.	Cross Check	Class of equipment and car designations (a)	Units in service of respondent at beginning of year		Changes During the Year				Line No.
			Per diem (b)	All Others (c)	Units installed				
					New units purchased or built (d)	New units leased from others (e)	Rebuilt units acquired and rebuilt units rewritten into property accounts (f)	All other units, including reclassification and second hand units purchased or leased from others (g)	
56		FLOATING EQUIPMENT Self-propelled vessels (tugboats, car ferries, etc.)	N/A						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 (Z_1_ , Z_67_ , Z_68_ , Z_69_)		13,533					59
60		Dry van (U_2_ , Z_ , Z_6_ , 1-6)		18,436	211				60
61		Flat bed (U_3_ , Z_3_)		50					61
62		Open bed (U_4_ , Z_4_)							62
63		Mechanical refrigerator (U_5_ , Z_5_)		33					63
64		Bulk hopper (U_0_ , Z_0_)							64
65		Insulated (U_7_ , Z_7_)							65
66		Tank (Z_0_ , U_6_) (See note)							66
67		Other trailer and container (Special equipped dry van U_9_ , Z_8_ , Z_9_)							67
68		Tractor							68
69		Truck							69
70		TOTAL (Lines 59 to 69)		32,052	211				70

NOTES AND REMARKS

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

710. INVENTORY OF EQUIPMENT - Concluded

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

Line No.	Cross Check	Changes during year (concluded)	Units at close of year						Line No.
		Units retired from service of respondent whether owned or leased including reclassification (h)	Owned and used (i)	Leased from others (j)	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 Others (l)			
56					N/A		N/A		56
57					N/A		N/A		57
58					N/A		N/A		58
59		411	14	13,108		13,122	N/A		59
60		1,695	6,244	10,708		16,952	457,880		60
61			50			50	562		61
62									62
63			33			33	750		63
64									64
65									65
66									66
67									67
68									68
69									69
70		2,106	6,341	23,816		30,157	459,192		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 this report, the units should be omitted, but reference to the number of units omitted should be given in a footnote, the details as to cost to be given in the report of the following year. The cost of units under construction at the close of the year should not be reflected in this schedule even though part of the cost appears in the property account for the year. Indicate in column (e) whether an installation represents equipment purchased (P), built or rebuilt by contract in outside railroad shops (C), or built or rebuilt in company or system shops (S) including units acquired through capitalized leases (L).
2. In column (a) list each class or type of locomotive unit, car or TOFC/COFC equipment on a separate line. By class is meant the standard classification used to distinguish types of locomotive units, freight cars or other equipment adopted by the Association of American Railroads, and should include physical characteristics requested by Schedule 710. Locomotive units should be identified as to power source, wheel arrangement, and horsepower per unit, such as multiple-purpose diesel locomotive A units (B-B), 2500 HP. Cars should be identified as to special construction or service characteristics, such as aluminum-covered hopper car (LO), steel boxcars-special service (XAP). 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. Disclose rebuilt units acquired or rewritten into the respondent's accounts in the lower section. The term "new" as used herein shall mean a unit or units placed in service for the first time on any railroad.
6. All unequipped boxcars acquired in whole or part with incentive per diem funds should be reported on separate lines and be appropriately identified by footnote or sub-heading.

NEW UNITS

Line No.	Class of equipment (a)	Number of Units (b)	Total Weight (Tons) (c)	Total Cost (d)	Method of Acquisition (see instructions) (e)	Line No.
1	Steel 5,161CU FT Covered Hoppers (LO)	514	16,300	31,148	P	1
2	Mark V Duraplate 53' Roadrailer Dry Vans (Z)	211	1,728	6,878	P	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	725	18,028	38,026	N/A	25
REBUILT UNITS						
26	RP14BBD 4-Axle 1,400 HP	2	246	3,095	S	26
27	RP20CD 6-Axle 2,100 HP	1	198	1,741	S	27
28	BP4 4-Axle 1,350 HP Battery Powered Switcher	1	128	1,923	S	28
29	GP40-2 6-Axle 2,000 HP	1	139	868	S	29
30	SD40-E 6-Axle 3,000 HP	18	3,510	15,306	S	30
31	4-Axle Slugs	13	1,807	6,753	S	31
32	6-Axle Slugs	3	562	831	S	32
33						33
34						34
35						35
36						36
37						37
38	TOTAL	39	6,590	30,517	N/A	38
39	GRAND TOTAL	764	24,618	68,543	N/A	39

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

1. For purposes of these schedules, the track categories are defined as follows:

Track category 1

- A - Freight density of 20 million or more gross ton-miles per track mile per year (include passing tracks, turnouts, and crossovers)
- B - Freight density of less than 20 million gross ton-miles per track mile per year, but at least 5 million (include passing tracks, turnouts, and crossovers)
- C - Freight density of less than 5 million gross ton-miles per track mile per year, but at least 1 million (include passing tracks, turnouts, and crossovers)
- D - Freight density of less than 1 million gross ton-miles per track mile per year (include passing tracks, turnouts, and crossovers)
- E - Way and yard switching tracks (passing tracks, crossovers and turnouts shall be included in categories A, B, C, D, 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 it is dedicated entirely to passenger service category F.

Potential abandonments - Route segments identified by railroads as potentially subject to abandonment as required by Section 10903 of the ICC Termination Act of 1995.

2. This schedule should include all class 1, 2, 3, or 4 track from schedule 700 that is maintained by the respondent (class 5 track is assumed to be maintained by others).

3. If, for two consecutive years, a line segment classified in one track category maintains a traffic density which would place it in another, it shall be reclassified into that category as of the beginning of the second year.

4. Traffic density related to passenger service shall not be included in the determination of the track category of a line segment.

720. TRACK AND TRAFFIC CONDITIONS

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

Line No.	Track category	Mileage of tracks at end of period (whole numbers)	Average annual traffic density in millions of gross ton-miles per track-mile* (use two decimal places)	Average running speed limit (use two decimal places)	Track miles under slow orders at the end of period	Line No.
1	A	7,630	35.20	46.32	8	1
2	B	8,412	12.10	43.40	59	2
3	C	2,755	2.47	31.15	199	3
4	D	2,289	0.24	20.41	242	4
5	E	8,526	N/A	N/A	N/A	5
6	TOTAL	29,612	17.91	40.36	508	6
7	F	3,360	N/A	N/A	N/A	7
8	Potential abandonments	17				8

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

1 Furnish the requested information concerning ties laid in replacement.

2 In column (j), report the total board feet of switch and bridge ties laid in replacement.

3 The term 'spot maintenance' in column (k) means repairs to track components during 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 ties or board feet laid in replacement considered to be spot maintenance.

4. In line 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	Number of crossties laid in replacement										
		New ties			Second-hand ties							
		Wooden		Concrete	Other	Wooden		Other	Total	Switch and bridge ties (board feet)	Crossties switch and bridge ties Percent of spot maintenance	Line No.
		Treated (b)	Untreated (c)	(d)		(e)	Treated (f)					
1	A	1,453,135		360	0	17,820			1,471,315	3,690,775	0.3	1
2	B	850,859		0	0	90,598			941,457	2,998,196	2.7	2
3	C	164,715		125	0	41,755			206,595	558,891	5.8	3
4	D	36,603		0	0	15,019			51,622	262,683	7.9	4
5	E	183,575		0	930	131,336			315,841	2,628,675	10.8	5
6	TOTAL	2,688,887		485	930	296,528			2,986,830	10,139,220	2.8	6
7	F											7
8	Potential abandonments											8
9	Average cost per crosstie	\$42.92		and switchtie (MBM)	\$1,034.43							

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

Give particulars of ties laid 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 new cross-ties laid in 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	20,873	\$44.68	\$933	15,026	\$1,044.22	\$16	New Wood Ties	1
2									2
3	S	10,235	\$54.74	\$560	0	\$0.00	\$0	New Steel Ties	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	31,108		\$1,493	15,026		\$16		20
21	Number of miles of new running, passing tracks, cross-overs, etc., in which ties were laid —								5.88
22	Number of miles of new yard, station, team, industry, and other switching tracks in which ties were laid —								2.76

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 line 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 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	Miles of rail laid in replacement (rail-miles)						Total		Percent of spot maintenance	Line No.
		New rail		Relay rail		Welded rail	Bolted rail	Welded rail	Bolted rail		
		Welded rail	Bolted rail	Welded rail	Bolted rail						
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)			
1	A	442.56	8.31	70.95	1.97	513.51	10.28	4.26	1		
2	B	107.48	2.02	41.09	2.46	148.57	4.48	6.35	2		
3	C	38.36	0.72	14.66	0.88	53.02	1.60	6.36	3		
4	D	23.09	0.43	8.83	0.53	31.92	0.96	6.34	4		
5	E	0.00	0.00	98.24	8.16	98.24	8.16	16.64	5		
6	TOTAL	611.49	11.48	233.77	14.00	845.26	25.48	6.35	6		
7	F								7		
8	Potential Abandonments								8		
9	Average cost of new and relay rail laid in replacement per gross ton:		New		\$857	Relay	\$114		9		

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

(Dollars in Thousands)

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

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

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

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

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

RAIL APPLIED IN RUNNING TRACKS, PASSING TRACKS, CROSS-OVERS, ETC.						RAIL APPLIED IN YARD, STATION, TEAM, INDUSTRY AND OTHER SWITCHING TRACKS				Line No	
Line No.	Class of rail	Weight of rail		Total cost of rail applied in running tracks, passing tracks cross-overs, etc., during year	Average cost per ton (2,000 lb)	Weight of rail		Total cost of rail applied in yard, station, team, industry, and other switching tracks during year	Average cost per ton (2,000 lb)		
		Pounds per yard of rail	Number of tons (2,000 lb)			Pounds per yard of rail	Number of tons (2,000 lb)				
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)			
1									1		
2	1	132	67	51	759	132	32	24	772	2	
3	4	132	412	55	134	132	451	60	134	3	
4										4	
5	1	136	914	797	872	136	163	142	873	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	1,393	\$903		N/A	646	\$226		33	
34	Number of miles of new running tracks, passing tracks, cross-overs, etc., in which rails were laid									5.88	34
35	Number of miles of new yard, station, team, industry, and other switching tracks in which rails were laid									2.76	35
36	Track-miles of welded rail installed on system this year 8.64 : total to date 22,126										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 (pounds) (a)	Line-haul companies (miles of main track) (b)	Switching and terminal companies (miles of all tracks) (c)	Remarks (d)	Line No.
1	90	99.27			1
2	100	822.80			2
3	105	109.03			3
4	110	53.00			4
5	112	692.12			5
6	115	1,077.60			6
7	119	10.11			7
8	127	526.43			8
9	130	535.43			9
10	131	1,035.72			10
11	132	9,495.46			11
12	133	142.98			12
13	136	2,880.01			13
14	140	1,045.77			14
15	141	402.03			15
16	152	76.71			16
17	155	52.53			17
18					18
19					19
20					20
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46					46

726. SUMMARY OF TRACK REPLACEMENTS

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

Line No.	Track category	Ties						Rail		Ballast	Track surfacing		Line No.
		Number of ties replaced		Percent replaced		Miles of rail replaced (rail-miles) (f)	Percent replaced (g)	Miles surfaced (i)	Percent surfaced (j)				
		Crossties (b)	Switch and bridge ties (board feet) (c)	Crosstie (d)	Switch and bridge ties (board feet) (e)								
1	A	1,471,315	3,690,775	5.9	5.9	523.79	3.4	1,201,131	3,406.8	44.7	1		
2	B	941,457	2,998,196	3.4	3.8	153.05	0.9	607,119	1,430.6	17	2		
3	C	208,595	558,891	2.3	3.2	54.62	1.0	96,357	180.5	6.6	3		
4	D	51,622	262,683	0.7	0.7	32.88	0.7	17,934	360.6	15.8	4		
5	E	315,841	2,628,675	1.2	2.4	106.4	0.6	85,671	787.2	9.2	5		
6	TOTAL	2,986,830	10,139,220	3.1	3.3	870.74	1.5	2,008,212	6,165.7	20.8	6		
7	F										7		
8	Potential abandonments										8		

750. CONSUMPTION OF DIESEL FUEL
(Dollars in Thousands)

Locomotives				
Line No.	Kind of locomotive service (a)	Diesel oil (gallons) (b)	Line No.	
1	Freight	365,986,143	1	
2	Passenger		2	
3	Yard switching	26,554,906	3	
4	TOTAL	392,541,049	4	
5	COST OF FUEL \$(000)*	\$ 645,304	5	
6	Work Train	4,777,995	6	

*Show cost of fuel charged to train and yard service (function 6-Loco. Fuels). The cost stated for diesel fuel should be the total charges in the accounts specified, including freight charges and handling expenses. Fuel consumed by mixed and special trains that are predominantly freight should be included in freight service, but where the service is mixed or special trains is predominantly passenger, the fuel should be included in passenger service.

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 755

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

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

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

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

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

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

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

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

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

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

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 755 - (Concluded)

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

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

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

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

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

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

(S) Report under 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 yards (excluding cars which are to be repaired in the train yard without loss of time), cars moving empty in trains en route to shop, and cars stored awaiting disposition.

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

(U) Flat-TOFC/COFC Car miles reported in lines 25 (4-020), 41 (4-120), 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 or cars.

755. RAILROAD OPERATING STATISTICS

Line No.	Cross Check	Item description (a)	Freight train (b)	Pass. train (c)	Line No.
1		1. MILES OF ROAD OPERATED (A)	20,623		1
		2. TRAIN MILES - RUNNING (B)	XXXXXXXX	XXXXXX	
2		2-01 UNIT TRAINS	10,659,243	XXXXXX	2
3		2-02 WAY TRAINS	11,549,676	XXXXXX	3
4		2-03 THROUGH TRAINS	45,251,301		4
5		2-04 TOTAL TRAIN MILES (lines 2-4)	67,460,220		5
6		2-05 MOTORCARS (C)	0		6
7		2-06 TOTAL, ALL TRAINS (lines 5, 6)	67,460,220		7
		3. LOCOMOTIVE UNIT MILES (D)	XXXXXXXX	XXXXXX	
		ROAD SERVICE (E)	XXXXXXXX	XXXXXX	
8		3-01 UNIT TRAINS	26,597,517	XXXXXX	8
9		3-02 WAY TRAINS	19,953,369	XXXXXX	9
10		3-03 THROUGH TRAINS	107,285,599		10
11		3-04 TOTAL (lines 8-10)	153,836,485		11
12		3-11 TRAIN SWITCHING (F)	6,997,765	XXXXXX	12
13		3-21 YARD SWITCHING (G)	9,952,824		13
14		3-31 TOTAL ALL SERVICES (lines 11, 12, 13)	170,787,074		14
		4. FREIGHT CAR-MILES (thousands) (H)	XXXXXXXX	XXXXXX	
		4-01 RR OWNED AND LEASED - LOADED	XXXXXXXX	XXXXXX	
15		4-010 BOX-PLAIN 40-FOOT	0	XXXXXX	15
16		4-011 BOX-PLAIN 50-FOOT AND LONGER	6,458	XXXXXX	16
17		4-012 BOX-EQUIPPED	126,489	XXXXXX	17
18		4-013 GONDOLA-PLAIN	177,879	XXXXXX	18
19		4-014 GONDOLA-EQUIPPED	80,263	XXXXXX	19
20		4-015 HOPPER-COVERED	102,061	XXXXXX	20
21		4-016 HOPPER-O/T-GENERAL SERVICE	69,120	XXXXXX	21
22		4-017 HOPPER-O/T-SPECIAL SERVICE	29,193	XXXXXX	22
23		4-018 REFRIGERATOR-MECHANICAL	3,430	XXXXXX	23
24		4-019 REFRIGERATOR-NON-MECHANICAL	5,665	XXXXXX	24
25		4-020 FLAT-TOFC/COFC	131,263	XXXXXX	25
26		4-021 FLAT-MULTI-LEVEL	16,936	XXXXXX	26
27		4-022 FLAT-GENERAL SERVICE	363	XXXXXX	27
28		4-023 FLAT-ALL OTHER	22,234	XXXXXX	28
29		4-024 ALL OTHER CAR TYPES	217,150	XXXXXX	29
30		4-025 TOTAL (lines 15-29)	988,504	XXXXXX	30

755. RAILROAD OPERATING STATISTICS

Line No.	Cross Check	Item description (a)	Freight train (b)	Pass. train (c)	Line No.
		4-11 RR OWNED AND LEASED EMPTY	XXXXXXXX	XXXXXX	
31		4-110 BOX-PLAIN 40-FOOT	0	XXXXXX	31
32		4-111 BOX-PLAIN 50-FOOT AND LONGER	7,002	XXXXXX	32
33		4-112 BOX-EQUIPPED	134,060	XXXXXX	33
34		4-113 GONDOLA-PLAIN	159,686	XXXXXX	34
35		4-114 GONDOLA-EQUIPPED	100,437	XXXXXX	35
36		4-115 HOPPER-COVERED	109,897	XXXXXX	36
37		4-116 HOPPER-O/T-GENERAL SERVICE	71,636	XXXXXX	37
38		4-117 HOPPER-O/T-SPECIAL SERVICE	31,024	XXXXXX	38
39		4-118 REFRIGERATOR-MECHANICAL	3,242	XXXXXX	39
40		4-119 REFRIGERATOR-NON-MECHANICAL	4,822	XXXXXX	40
41		4-120 FLAT-TOFC/COFC	17,634	XXXXXX	41
42		4-121 FLAT-MULTI-LEVEL	9,793	XXXXXX	42
43		4-122 FLAT-GENERAL SERVICE	646	XXXXXX	43
44		4-123 FLAT-ALL OTHER	24,969	XXXXXX	44
45		4-124 ALL OTHER CAR TYPES	881	XXXXXX	45
46		4-125 TOTAL (lines 31-45)	675,729	XXXXXX	46
		4-13 PRIVATE LINE CARS - LOADED (H)	XXXXXXXX	XXXXXX	
47		4-130 BOX-PLAIN 40-FOOT	0	XXXXXX	47
48		4-131 BOX-PLAIN 50-FOOT AND LONGER	4,660	XXXXXX	48
49		4-132 BOX-EQUIPPED	11,940	XXXXXX	49
50		4-133 GONDOLA-PLAIN	45,614	XXXXXX	50
51		4-134 GONDOLA-EQUIPPED	8,816	XXXXXX	51
52		4-135 HOPPER-COVERED	247,277	XXXXXX	52
53		4-136 HOPPER-O/T-GENERAL SERVICE	20,985	XXXXXX	53
54		4-137 HOPPER-O/T-SPECIAL SERVICE	140,326	XXXXXX	54
55		4-138 REFRIGERATOR-MECHANICAL	2,392	XXXXXX	55
56		4-139 REFRIGERATOR-NON-MECHANICAL	734	XXXXXX	56
57		4-140 FLAT-TOFC/COFC	292,402	XXXXXX	57
58		4-141 FLAT-MULTI-LEVEL	120,828	XXXXXX	58
59		4-142 FLAT-GENERAL SERVICE	42	XXXXXX	59
60		4-143 FLAT-ALL OTHER	18,206	XXXXXX	60
61		4-144 TANK UNDER 22,000 GALLONS	93,381	XXXXXX	61
62		4-145 TANK - 22,000 GALLONS AND OVER	140,579	XXXXXX	62
63		4-146 ALL OTHER CAR TYPES	1,069	XXXXXX	63
64		4-147 TOTAL (lines 47-63)	1,149,251	XXXXXX	64

755. RAILROAD OPERATING STATISTICS

Line No.	Cross Check	Item description (a)	Freight train (b)	Pass. train (c)	Line No.
		4-15 PRIVATE LINE CARS-EMPTY (H)	XXXXXXXX	XXXXXX	
65		4-150 BOX-PLAIN 40-FOOT	0	XXXXXX	65
66		4-151 BOX-PLAIN 50-FOOT AND LONGER	6,377	XXXXXX	66
67		4-152 BOX-EQUIPPED	9,288	XXXXXX	67
68		4-153 GONDOLA-PLAIN	48,192	XXXXXX	68
69		4-154 GONDOLA-EQUIPPED	9,818	XXXXXX	69
70		4-155 HOPPER-COVERED	257,549	XXXXXX	70
71		4-156 HOPPER-O/T-GENERAL SERVICE	22,040	XXXXXX	71
72		4-157 HOPPER-O/T-SPECIAL SERVICE	141,532	XXXXXX	72
73		4-158 REFRIGERATOR-MECHANICAL	2,372	XXXXXX	73
74		4-159 REFRIGERATOR-NON-MECHANICAL	701	XXXXXX	74
75		4-160 FLAT-TOFC/COFC	35,018	XXXXXX	75
76		4-161 FLAT-MULTI-LEVEL	63,498	XXXXXX	76
77		4-162 FLAT-GENERAL SERVICE	64	XXXXXX	77
78		4-163 FLAT-ALL OTHER	22,166	XXXXXX	78
79		4-164 TANK UNDER 22,000 GALLONS	101,405	XXXXXX	79
80		4-165 TANK - 22,000 GALLONS AND OVER	150,607	XXXXXX	80
81		4-166 ALL OTHER CAR TYPES	1,299	XXXXXX	81
82		4-167 TOTAL (lines 65-81)	871,926	XXXXXX	82
83		4-17 WORK EQUIPMENT CAR-MILES	28,325	XXXXXX	83
84		4-18 NO PAYMENT CAR-MILES (I) *	0	XXXXXX	84
		4-19 TOTAL CAR-MILES BY TRAIN TYPE	XXXXXXXX	XXXXXX	
85		4-191 UNIT TRAINS	985,386	XXXXXX	85
86		4-192 WAY TRAINS	276,535	XXXXXX	86
87		4-193 THROUGH TRAINS	2,451,814	XXXXXX	87
88		4-194 TOTAL (lines 85-87)	3,713,735	XXXXXX	88
89		4-20 CABOOSE MILES	199	XXXXXX	89

* Total number of loaded miles 216,501 and empty miles 240 by roadrailer reported above on lines 29 and 45 respectively, rather than line 84.

Note: Line 88, total car miles, 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.

755. RAILROAD OPERATING STATISTICS

Line No.	Cross Check	Item description (a)	Freight train (b)	Pass. train (c)	Line No.
		6. GROSS TON MILES (Thousands) (K)	XXXXXXXX	XXXXXX	
98		6-01 ROAD LOCOMOTIVES	28,889,823		98
		6-02 FREIGHT TRAINS, CRS., CNTS. & CABOOSE	XXXXXXXX	XXXXXX	
99		6-020 UNIT TRAINS	82,003,162	XXXXXX	99
100		6-021 WAY TRAINS	21,536,382	XXXXXX	100
101		6-022 THROUGH TRAINS	194,494,213	XXXXXX	101
102		6-03 PASSENGER-TRAINS, CRS. & CNTS.			102
103		6-04 NON-REVENUE	1,816,422	XXXXXX	103
104		6-05 TOTAL (lines 98-103)	328,740,002		104
		7. TONS OF FREIGHT (Thousands)	XXXXXXXX	XXXXXX	
105		7-01 REVENUE	351,524	XXXXXX	105
106		7-02 NON-REVENUE	977	XXXXXX	106
107		7-03 TOTAL (lines 105, 106)	352,501	XXXXXX	107
		8. TON-MILES OF FREIGHT (Thousands) (L)	XXXXXXXX	XXXXXX	
108		8-01 REVENUE-ROAD SERVICE	158,520,358	XXXXXX	108
109		8-02 REVENUE-LAKE TRANSFER SERVICE	0	XXXXXX	109
110		8-03 TOTAL (lines 108, 109)	158,520,358	XXXXXX	110
111		8-04 NON-REVENUE-ROAD SERVICE	279,373	XXXXXX	111
112		8-05 NON-REVENUE-LAKE TRANSFER SERV.	0	XXXXXX	112
113		8-06 TOTAL (lines 111, 112)	279,373	XXXXXX	113
114		8-07 TOTAL-REV AND NON-REV (lines 110, 113)	158,799,731	XXXXXX	114
		9. TRAIN HOURS (M)	XXXXXXXX	XXXXXX	
115		9-01 ROAD SERVICE	3,467,167	XXXXXX	115
116		9-02 TRAIN SWITCHING	678,748	XXXXXX	116
117		10. TOTAL YARD SWITCHING HOURS (N)	2,032,194	XXXXXX	117
		11. TRAIN-MILES WORK TRAINS (O)	XXXXXXXX	XXXXXX	
118		11-01 LOCOMOTIVES	970,461	XXXXXX	118
119		11-02 MOTORCARS	0	XXXXXX	119
		12. NUMBER OF LOADED FREIGHT CARS (P)	XXXXXXXX	XXXXXX	
120		12-01 UNIT TRAINS	2,012,360	XXXXXX	120
121		12-02 WAY TRAINS	4,378,890	XXXXXX	121
122		12-03 THROUGH TRAINS	5,096,250	XXXXXX	122
123		13. TOFC/COFC-NO. OF REV. TRLS. & CONT. LOADED & UNLOADED (Q)	4,178,142	XXXXXX	123
124		14. MULTI-LEVEL CARS-NO. OF MTR. VEH. LOADED AND UNLOADED (Q)	558,009	XXXXXX	124
125		15. TOFC/COFC-NO. OF REV TRLS. PICKED UP AND DELIVERED (R)	162,265	XXXXXX	125
		16. REVENUE TONS-MARINE TERMINAL (S)	XXXXXXXX	XXXXXX	
126		16-01 MARINE TERMINALS - COAL	20,990,472	XXXXXX	126
127		16-02 MARINE TERMINALS - ORE	0	XXXXXX	127
128		16-03 MARINE TERMINALS - OTHER	0	XXXXXX	128
129		16-04 TOTAL (lines 126-128)	20,990,472	XXXXXX	129
		17. NUMBER OF FOREIGN PER DIEM CARS ON LINE (T)	XXXXXXXX	XXXXXX	
130		17-01 SERVICEABLE	26,114	XXXXXX	130
131		17-02 UNSERVICEABLE	611	XXXXXX	131
132		17-03 SURPLUS	0	XXXXXX	132
133		17-04 TOTAL (lines 130-132)	26,725	XXXXXX	133
134		TOFC/COFC - Average No. of Units Loaded Per Car	4.19	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

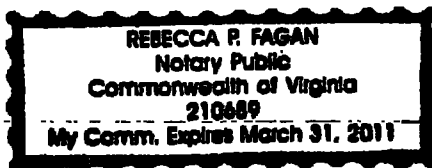
(To be made by the officer having control of the accounting of the respondent)

Commonwealth of Virginia
City of Norfolk

Clyde H. Allison, Jr. makes oath and says that he is Vice President and Controller of Norfolk Southern Combined Railroad Subsidiaries (see page 4 of STB Annual Report R-1); that it is his duty to have supervision over the books of accounts of the respondent and to control the manner in which such books are kept; that he knows that such books have been kept in good faith during the period covered by this report; that he knows that the entries contained in this report relating to accounting matters have been prepared in accordance with the provisions of the Uniform System of Accounts for Railroads and other accounting and reporting directives of the Surface Transportation Board; that he believes that all other statements of fact contained in this report are true, and that this report is a correct and complete statement, accurately taken from the books and records, of the business and affairs of the above-named respondent during the period of time from and including January 1, 2009, to and including December 31, 2009.

C. H. Allison Jr.
(Signature of affiant)

Subscribed and sworn to before me a Notary Public in and for the State and City above named, this 29th day of March, 2010. My commission expires March 31, 2011.



Rebecca P. Fagan
(Signature of officer authorized to administer oaths)

SUPPLEMENTAL OATH

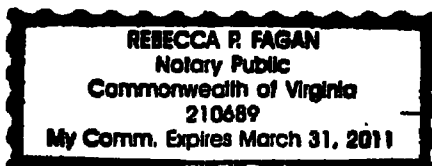
(By the president or other chief officer of the respondent)

Commonwealth of Virginia
City of Norfolk

Charles W. Moorman makes oath that says that he is President and Chief Executive Officer of Norfolk Southern Combined Railroad Subsidiaries (see page 4 of STB Annual Report R-1); that he has carefully examined the foregoing report; that he believes that all statements of fact contained in the said report are true, and that the said report is a correct and complete statement of the business and affairs of the above-named respondent and the operations of its property during the period of time from and including January 1, 2009, to and including December 31, 2009.

Charles W. Moorman
(Signature of affiant)

Subscribed and sworn to before me a Notary Public in and for the State and City above named, this 29th day of March, 2010. My commission expires March 31, 2011.



Rebecca P. Fagan
(Signature of officer authorized to administer oaths)

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