

# Class I Railroad Annual Report

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



**To The  
Surface Transportation Board**

**For the Year Ending December 31, 2011**

# 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](http://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](http://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](http://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](http://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](http://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, 2011**

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.

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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
		<b>NONE</b>

**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 Schedule 200 on page 9.

\* 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 two copies of the Annual Report on Form 10-K for the year ended December 31, 2011, as 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, 2011.  
(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	<b>Norfolk Southern Railway:</b>						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
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

**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 24, 2011

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  
BRF Investment, LLC  
Central of Georgia LLC  
Chicago Land Management, LLC  
Citico Realty Company  
High Point, Randleman, Asheboro and  
Southern Railroad Company  
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 Emissions Research, LLC  
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  
Wheelersburg 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	245,617	742,242	1
2		702	Temporary Cash Investments	25,003	282,665	2
3		703	Special Deposits			3
Accounts Receivable						
4		704	- Loan and Notes	616	425	4
5		705	- Interline and Other Balances	55,684	57,899	5
6		706	- Customers	538,603	444,619	6
7		707	- Other	121,719	50,233	7
8		709, 708	- Accrued Accounts Receivables	299,019	250,789	8
9		708.5	- Receivables from Affiliated Companies	7,740,806	5,729,699	9
10		709.5	- Less: Allowance for Uncollectible Accounts	(4,338)	(4,600)	10
11		710, 711, 714	Working Funds Prepayments Deferred Income Tax Debits	211,385	348,707	11
12		712	Materials and Supplies	208,672	168,729	12
13		713	Other Current Assets	6,742	16,719	13
14			<b>TOTAL CURRENT ASSETS</b>	<b>9,449,528</b>	<b>8,088,126</b>	14
Other Assets						
15		715, 716, 717	Special Funds	16,673	165,360	15
16		721, 721.5	Investments and Advances Affiliated Companies (Schedule 310 and 310A)	2,396,187	2,148,381	16
17		722, 723	Other Investments and Advances	276,634	287,725	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) \$42,349 and \$43,651 respectively	124,845	127,540	19
20		739, 741	Other Assets	29,407	86,779	20
21		743	Other Deferred Debits	6,364	15,840	21
22		744	Accumulated Deferred Income Tax Debits			22
23			<b>TOTAL OTHER ASSETS</b>	<b>2,850,110</b>	<b>2,831,625</b>	23
Road and Equipment						
24		731, 732	Road (Schedule 330, L-30 Col. h & b)	24,314,761	23,791,788	24
25		731, 732	Equipment (Schedule 330, L-39 Col. h & b)	8,435,089	7,732,585	25
26		731, 732	Unallocated Items	549,855	331,956	26
27		733, 735	Accumulated Depreciation and Amortization (Schedules 335, 342, 351)	(9,538,594)	(9,325,528)	27
28			Net Road and Equipment	23,761,111	22,530,801	28
29	*		<b>TOTAL ASSETS</b>	<b>36,060,749</b>	<b>33,450,552</b>	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 beginning of year (c)	Line No.
<b>Current Liabilities</b>						
30		751	Loans and Notes Payable	100,000	100,000	30
31		752	Accounts Payable; Interline and Other Balances	1,020	548	31
32		753	Audited Accounts and Wages	2,089	2,590	32
33		754	Other Accounts Payable	266	56	33
34		755, 756	Interest and Dividends Payable	14,307	16,667	34
35		757	Payables to Affiliated Companies	5,084,948	4,147,559	35
36		759	Accrued Accounts Payable	1,086,607	1,127,718	36
37		760, 761, 761.5, 762	Taxes Accrued	182,433	185,144	37
38		763	Other Current Liabilities	132,816	122,519	38
39		764	Equipment Obligations and Other Long-Term Debt	50,201	57,698	39
40			<b>TOTAL CURRENT LIABILITIES</b>	<b>6,654,687</b>	<b>5,760,499</b>	40
<b>Non-Current Liabilities</b>						
41		765, 767	Funded Debt Unmatured	579,026	589,026	41
42		766	Equipment Obligations	33,850	55,140	42
43		766.5	Capitalized Lease Obligations	2,188	15,643	43
44		768	Debt in Default			44
45		769	Accounts Payable; Affiliated Companies	2,013,424	1,016,645	45
46		770.1, 770.2	Unamortized Debt Premium	101,748	108,418	46
47		781	Interest in Default			47
48		783	Deferred Revenues-Transfers from Government Authorities			48
49		786	Accumulated Deferred Income Tax Credits	7,943,800	7,489,154	49
50		771, 772, 774, 775, 782, 784	Other Long-Term Liabilities and Deferred Credits	3,927,954	3,575,702	50
51			<b>TOTAL NONCURRENT LIABILITIES</b>	<b>14,601,990</b>	<b>12,849,728</b>	51
<b>Shareholders' Equity</b>						
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)	7,063,939	7,020,336	56
Retained Earnings:						
57		797	Appropriated			57
58		798	Unappropriated (Schedule 220)	7,571,137	7,579,207	58
59		796	Accumulated Other Comprehensive Income	2,306	74,092	59
60		798.5	Less Treasury Stock			60
61			Net Stockholders' Equity	14,804,072	14,840,325	61
62	*		<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>36,060,749</b>	<b>33,450,552</b>	62

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 10
- (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 10
- (c) Is any part of pension plan funded? Specify. Yes  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 10
- (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   
 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  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  No
5. (a) The amount of employers contribution to employee stock ownership plans for the current year was SEE NOTE 12, PAGE 10.
- (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.

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

See Note 13 on page 14.

## (a) Changes in Valuation Accounts

8. Marketable Equity Securities. See Note 11 on page 10.

		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 Financial Accounting Standards Board 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 September 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2011-09, "*Disclosures about an Employer's Participation in a Multiemployer Plan.*" This update requires additional disclosures about employers' participation in multiemployer pension plans, including information about the plan's funded status if readily available. This update also requires additional limited disclosures for multiemployer plans that provide postretirement benefits other than pension. NS Rail adopted this ASU in our December 31, 2011 annual financial statements, the adoption of which did not have a material effect on NS Rail's combined financial statements.

In June 2011, the FASB issued ASU No. 2011-05, "*Comprehensive Income (Topic 220): Presentation of Comprehensive Income.*" This update requires that the total of comprehensive income, the components of net income, and the components of other comprehensive income be presented in either a single continuous statement of comprehensive income or in two separate but consecutive statements. This update does not change what items are reported in other comprehensive income or the requirement to report reclassification of items from other comprehensive income to net income. NS Rail will adopt this ASU retrospectively in the first quarter of 2012 however, effective December 2011, the FASB issued ASU No. 2011-12, "*Deferral of the Effective Date for Amendments to Presentation Reclassifications of Items Out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-05.*" which deferred the requirement to present separate line items on the income statement for reclassification adjustments of items out of accumulated other comprehensive income into net income. This deferral is temporary until the FASB reconsiders the operational concerns and needs of financial statement users. NS Rail expects adoption of the ASU will not have a material effect on its combined financial statements.

**10. Related Parties****General**

NS is the parent holding company of NSR. Rail operations are coordinated at the holding company level by the Chief Operating Officer. NS charges NS Rail a fee for management services it performs for NS Rail (which totaled \$823 million, including a \$51 million markup, in 2011 and \$774 million, including a \$49 million markup, in 2010). In addition, NS charges NS Rail a revenue-based licensing fee (which totaled \$163 million in 2011 and \$139 million in 2010) 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. NS is amortizing the excess of the purchase price over Conrail's net equity using the principles of purchase accounting, based primarily on the estimated useful lives of Conrail's depreciable property and equipment, including the related deferred tax effect of the differences in tax accounting bases for such assets, as all of the purchase price at acquisition was allocable to Conrail's tangible assets and liabilities.

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. In addition, NSR and CSXT pay CRC a fee for access to the Shared Assets Areas. Railway operating expenses include expenses for amounts due to CRC for operation of the Shared Assets Areas totaling \$131 million in 2011 and \$118 million in 2010. Future minimum lease payments due to CRC under the Shared Assets Areas agreements are as follows: \$33 million in each of 2012 through 2016 and \$243 million thereafter.

NS Rail provides certain general and administrative support functions to Conrail, the fees for which are billed in accordance with several service-provider arrangements and amount to approximately \$7 million annually.

**Intercompany Accounts**

	<b>December 31,</b>	
	<b>2011</b>	<b>2010</b>
	<i>(\$ in millions)</i>	
Current:		
Accrued Accounts Payable	\$ 1,087	\$ 1,128
Long-term		
Other Long-Term Liabilities and Deferred Credits	\$ 3,928	\$ 3,576

"Accrued Accounts Payable" includes \$160 million at December 31, 2011, and \$128 million at December 31, 2010, 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, 2011 and 2010, 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 \$11 million in 2011 and \$6 million in 2010, and interest expense of \$27 million in 2011 and

\$11 million in 2010 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 \$2 billion in 2011 and zero in 2010, which were settled by reduction of advances due from NS. Noncash dividends are excluded from the Combined Statements of Cash Flows.

#### Capital Contributions

In 2011 and 2010, NS Rail recognized \$44 million and \$37 million in capital contributions, respectively, for tax benefits it received that were generated by NS.

#### Intercompany Federal Income Tax Accounts

Intercompany federal income tax accounts are recorded between companies in the NS consolidated group in accordance with the NS Tax Allocation Agreement. NS Rail had long-term intercompany federal income taxes payable (which are included in "Other Long-Term-Liabilities and Deferred Credits" in the Combined Balance Sheets) of \$1,937 million at December 31, 2011, and \$1,856 million at December 31, 2010.

#### 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:
- 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.
- 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.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

#### Marketable Equity Securities

	<b>December 31,</b>	
	<b><u>2011</u></b>	<b><u>2010</u></b>
	<i>(\$ in millions)</i>	
Marketable equity securities, principally 20,320,777 and 20,336,843 shares, respectively, of NS Common Stock at fair value (Level 1)	\$ 1,481	\$ 1,278

Carrying value adjustments, which are noncash transactions, are not included in the Combined Statement of Cash Flows. The gross unrealized holding gain was \$1,461 million on December 31, 2011 and \$1,258 million on December 31, 2010. Sales of "available-for-sale" securities were \$57 million for the year ended December 31, 2011 and \$225 million for the year ended December 31, 2010 (which included maturities).

### 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**

	<b>Pension Benefits</b>		<b>Other Postretirement Benefits</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	(\$ in millions)			
<b>Change in benefit obligations</b>				
Benefit obligation at beginning of year	\$ 1,813	\$ 1,696	\$ 1,082	\$ 1,044
Service cost	28	26	14	16
Interest cost	92	96	58	61
Actuarial losses	209	108	101	10
Benefits paid	(115)	(113)	(49)	(49)
Benefit obligation at end of year	<u>2,027</u>	<u>1,813</u>	<u>1,206</u>	<u>1,082</u>
<b>Change in plan assets</b>				
Fair value of plan assets at beginning of year	1,756	1,542	178	161
Actual return on plan assets	18	216	8	17
Employer contribution	11	111	49	49
Benefits paid	(115)	(113)	(49)	(49)
Fair value of plan assets at end of year	<u>1,670</u>	<u>1,756</u>	<u>186</u>	<u>178</u>
<b>Funded status at end of year</b>	\$ <u>(357)</u>	\$ <u>(57)</u>	\$ <u>(1,020)</u>	\$ <u>(904)</u>
Amounts recognized in the Consolidated Balance Sheets consist of:				
Noncurrent assets	\$ 1	\$ 140	\$ --	\$ --
Current liabilities	(12)	(12)	(56)	(55)
Noncurrent liabilities	<u>(346)</u>	<u>(185)</u>	<u>(964)</u>	<u>(849)</u>
<b>Net amount recognized</b>	\$ <u>(357)</u>	\$ <u>(57)</u>	\$ <u>(1,020)</u>	\$ <u>(904)</u>
Amounts recognized in accumulated other comprehensive loss (pretax) consist of:				
Net loss	\$ 1,071	\$ 807	\$ 434	\$ 370
Prior service cost	4	7	--	--

NS' accumulated benefit obligation for its defined benefit pension plans is \$1.9 billion and \$1.7 billion at December 31, 2011 and 2010, respectively. 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 \$219 million at December 31, 2011, and \$197 million at December 31, 2010, and had accumulated benefit obligations of \$195 million at December 31, 2011, and \$177 million at December 31, 2010.

**Pension and Other Postretirement Benefit Cost Components**

	<b>2011</b>	<b>2010</b>
	(\$ in millions)	
<b>Pension benefits</b>		
Service cost	\$ 28	\$ 26
Interest cost	92	96
Expected return on plan assets	(140)	(142)
Amortization of net losses	67	48
Amortization of prior service cost	3	3
Net cost	<u>\$ 50</u>	<u>\$ 31</u>
<b>Other postretirement benefits</b>		
Service cost	\$ 14	\$ 16
Interest cost	58	61
Expected return on plan assets	(15)	(15)
Amortization of net losses	44	52
Net cost	<u>\$ 101</u>	<u>\$ 114</u>

**Other Changes in Plan Assets and Benefit Obligations Recognized in Other Comprehensive Income**

	<b>2011</b>	
	<b>Pension Benefits</b>	<b>Other Postretirement Benefits</b>
	(\$ in millions)	
Net loss arising during the year	\$ 331	\$ 108
Amortization of net losses	(67)	(44)
Amortization of prior service cost	(3)	--
Total recognized in other comprehensive income	<u>\$ 261</u>	<u>\$ 64</u>
Total recognized in net periodic cost and other comprehensive income	<u>\$ 311</u>	<u>\$ 165</u>

The estimated net loss and prior service cost for the defined benefit pension plans that will be amortized from accumulated other comprehensive income into net periodic benefit cost over the next year are \$75 million and zero, respectively. The estimated net loss for the other postretirement benefit plans that will be amortized from accumulated other comprehensive income into net periodic benefit cost over the next year is \$52 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>2011</u>	<u>2010</u>
<b>Pension funded status:</b>		
Discount rate	4.5%	5.25%
Future salary increases	4.5%	4.5%
<b>Other postretirement benefits funded status:</b>		
Discount rate	4.55%	5.4%
<b>Pension cost:</b>		
Discount rate	5.25%	5.85%
Return on assets in plans	8.75%	8.75%
Future salary increases	4.5%	4.5%
<b>Other postretirement benefits cost:</b>		
Discount rate	5.4%	5.85%
Return on assets in plan	8.5%	8.5%
Health care trend rate	8.1%	8.5%

To determine the discount rate, NS utilized analyses in which the projected annual cash flows from the pension and other postretirement benefit plans were matched with yield curves 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, 2011, increases in the per capita cost of covered health care benefits were assumed to be 7.7% for 2012. 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:

	<u>One percentage point</u>	
	<u>Increase</u>	<u>Decrease</u>
	(\$ in millions)	
Increase (decrease) in:		
Total service and interest cost components	\$ 11	\$ (9)
Postretirement benefit obligation	\$ 168	\$ (138)

### Asset Management

Ten investment firms manage NS' defined benefit pension plan's assets under investment guidelines approved by the Board of Directors, prior to 2011 and, effective for 2011, approved by a management committee. 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. The fixed income portfolio is invested in the Barclays Government/Credit Bond Index Fund, except that the Canadian earmarked portion of the Fund is maintained in U.S. Treasury Bonds. 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, by asset category, were as follows:

<u>Asset Category</u>	<u>Percentage of plan assets at December 31,</u>	
	<u>2011</u>	<u>2010</u>
Domestic equity securities	56%	54%
International equity securities	17%	12%
Debt securities	25%	21%
Cash and cash equivalents	2%	13%
Total	<u>100%</u>	<u>100%</u>

The other postretirement benefit plan assets consist primarily of trust-owned variable life insurance policies with an asset allocation at December 31, 2011, of 56% in equity securities and 44% in debt securities compared with 58% in equity securities and 42% in debt securities at December 31, 2010. 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. The expected long-term rate of return on plan assets is applied to a calculated value of plan assets that recognizes changes in fair value over a three-year period. NS assumed a rate of return on pension plan assets of 8.75% for 2011 and 2010. A one percentage point change to the rate of return assumption would result in a \$16 million change to the net pension cost and, as a result, an equal change in "Compensation and benefits" expense. For 2012, NS assumes an 8.25% return on pension plan assets.

#### Fair Value of Plan Assets

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

**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.

**Common collective trusts:** 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 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.

**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.

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

**Commingled funds:** 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 funds. The investments are valued using NAV as a practical expedient for fair value. The commingled funds hold equity securities.

**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.

**Preferred stock:** Shares held by the plan at year end are valued at the most recent trade price of a security at the close of the active market or at an estimated price at which a dealer would pay for a similar security at year end using observable as well as unobservable market-based inputs.

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

	<u>Level 1</u>	<u>2011</u> <u>Level 2</u> <i>(\$ in millions)</i>	<u>Total</u>
Common stock	\$ 1,017	\$ --	\$ 1,017
Common collective trusts:			
Debt securities	--	416	416
International equity securities	--	154	154
Commingled funds	--	42	42
Interest bearing cash	37	--	37
U.S. government and agencies securities	--	3	3
Preferred stock	--	1	1
	<u>\$ 1,054</u>	<u>\$ 616</u>	<u>\$ 1,670</u>

	<u>Level 1</u>	<u>2010</u> <u>Level 2</u> <i>(\$ in millions)</i>	<u>Total</u>
Common stock	\$ 963	\$ --	\$ 963
Common collective trusts:			
Debt securities	--	361	361
International equity securities	--	160	160
Interest bearing cash	220	--	220
Commingled funds	--	48	48
U.S. government and agencies securities	--	3	3
Preferred stock	--	1	1
	<u>\$ 1,183</u>	<u>\$ 573</u>	<u>\$ 1,756</u>

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.

The other postretirement benefit plan assets consisted of trust-owned life insurance with fair values of \$186 million and \$178 million at December 31, 2011 and 2010, respectively, and are 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 other 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 2012, NS expects to contribute approximately \$12 million to its unfunded pension plans for payments to pensioners and approximately \$56 million to its other postretirement benefit plans for retiree health benefits. NS does not expect to contribute to its funded pension plan in 2012. In 2010, NS made a voluntary contribution to its funded pension plan of \$100 million.

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)	
2012	\$ 120	\$ 56
2013	123	58
2014	125	60
2015	128	63
2016	130	65
Years 2017-2021	664	352

The other postretirement benefits payments include an estimated average annual reduction due to the Medicare Part D subsidy of approximately \$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 \$48 million in 2011 and \$43 million in 2010.

### 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 \$17 million in 2011 and \$15 million in 2010.

## 13. 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.

Two of NS Rail's customers, DuPont and South Mississippi Electric Power Association (SMEPA), filed rate reasonableness complaints at the Surface Transportation Board (STB) alleging that the NS Rail tariff rates for transportation of regulated movements are unreasonable. NS Rail disputes these allegations, however, in August 2011, NS Rail agreed to settle the rate reasonableness complaint with SMEPA. Settlement of this claim did not have a material effect on NS Rail's financial position, results of operations, or liquidity. Since June 1, 2009, in the case of DuPont, NS Rail has been billing and collecting amounts based on the challenged tariff rates. Management presently expects resolution of the DuPont case to occur in 2013 and believes the estimate of reasonably possible loss will not have a material effect on NS Rail's financial position, results of operations, or liquidity. With regard to rate cases, management records adjustments to revenues in the periods, if and when, such adjustments are probable and estimable.

On November 6, 2007, various antitrust class actions filed against NS Rail and other Class 1 railroads in various Federal district courts regarding fuel surcharges were consolidated in the District of Columbia by the Judicial Panel on Multidistrict Litigation. NS Rail believes the allegations in the complaints are without merit and intends to vigorously defend the cases. NS Rail does not believe that the outcome of these proceedings will have a material effect on its financial position, results of operations, or liquidity. A lawsuit containing similar allegations against NS Rail and four other major

railroads that was filed on March 25, 2008, in the U.S. District Court for the District of Minnesota was voluntarily dismissed by the plaintiff subject to a tolling agreement entered into in August 2008.

### 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 claims 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.

The Combined Balance Sheets reflect long-term receivables for estimated recoveries from NS Rail's insurance carriers for claims associated with the January 6, 2005, derailment in Graniteville, S.C. In the first quarter of 2011, NS Rail received an unfavorable ruling for an arbitration claim with an insurance carrier, and was denied recovery of the contested portion (\$43 million) of the claim. As a result, NS Rail recorded a \$43 million charge during the first quarter of 2011 for the receivables associated with the contested portion of the claim and a \$15 million charge for other receivables affected by the ruling for which recovery is no longer probable. During the first quarter of 2010, NS Rail settled an arbitration claim (\$100 million) with another insurance carrier with no adverse effect on NS Rail's financial position, results of operation, or liquidity.

**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. Actuarial studies since 2009 have reflected a reduced level of favorable claims development resulting in an increase in the annual cost related to personal injuries from \$75 million in 2010 to \$88 million in 2011. 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) in the Combined Balance Sheets 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 include liabilities for environmental exposures in the amount of \$35 million at December 31, 2011, and \$33 million at December 31, 2010 (of which \$12 million is classified as a current liability at December 31, 2011 and 2010). At December 31, 2011, the liability represents NS Rail's estimate of the probable cleanup and remediation costs based on available information at 149 known locations and projects compared with 143 locations and projects at December 31, 2010. As of December 31, 2011, seven sites accounted for approximately \$13 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 26 locations, one or more NS Rail subsidiaries, in conjunction with a number of other parties, have been identified as potentially responsible parties under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, or comparable state statutes that impose joint and several liability for cleanup costs. NS Rail calculates its estimated liability for these sites based on facts and legal defenses applicable to each site and not solely on the basis of the potential for joint liability.



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, unpredictable contaminant recovery and reduction rates associated with available cleanup technologies, 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 Rail's 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.

Based on its assessment of the facts and circumstances now known, management believes that it has recorded the probable and reasonably estimable 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 \$50 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, 2011, NS Rail had outstanding purchase commitments totaling approximately \$603 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 2016.

#### **Change-In-Control Arrangements**

NS Rail has compensation agreements with certain officers and key employees that become operative only upon a change in control of NS Rail, 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 agreed to indemnify 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, 2011, certain NSR subsidiaries are contingently liable as guarantors 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.

#### **14. Freight Rates**

In 2011, 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.

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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	Schedule 210
Line 15, column (b)	= Line 62, column (b)
Line 47 plus 48 plus 49, column (b)	= Line 63, column (b)
Line 50, column (b)	= Line 64, column (b)
	Schedule 410
Line 14, column (b)	= Line 620, column (h)
Line 14, column (d)	= Line 620, column (f)
Line 14, column (e)	= Line 620, column (g)

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Freight-related revenue & expenses (d)	Passenger-related revenue & expenses (e)	Line No.
		<b>ORDINARY ITEMS</b>					
		<b>OPERATING INCOME</b>					
		Railway Operating Income					
1		(101) Freight	10,721,647	9,133,313	10,721,647		1
2		(102) Passenger					2
3		(103) Passenger-Related					3
4		(104) Switching	73,344	73,193	73,344		4
5		(105) Water Transfers					5
6		(106) Demurrage	159,217	155,292	159,217		6
7		(110) Incidental	217,565	154,637	217,565		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)	11,171,773	9,516,435	11,171,773		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		<b>TOTAL RAILWAY OPERATING REVENUES (lines 10-12)</b>	<b>11,171,773</b>	<b>9,516,435</b>	<b>11,171,773</b>		13
14	*	(531) Railway operating expenses	8,191,691	7,055,526	8,191,691		14
15	*	Net revenue from railway operations	2,980,082	2,460,909	2,980,082		15
		<b>OTHER INCOME</b>					
16		(506) Revenue from property used in other than carrier operations	4,628	2,491			16
17		(510) Miscellaneous rent income	43,609	42,267			17
18		(512) Separately operated properties-Profit					18
19		(513) Dividend Income (cost method)	33,736	28,543			19
20		(514) Interest Income	13,554	11,649			20
21		(516) Income from sinking and other funds	0	0			21
22		(517) Release of premiums on funded debt					22
23		(518) Reimbursements received under contracts and agreements					23
24		(519) Miscellaneous income	152,278	172,262			24
		Income from affiliated companies: 519					
		a. Dividends (equity method)					
25		b. Equity in undistributed earnings (losses)	(2,961)	7			25
26							26
27		<b>TOTAL OTHER INCOME (lines 16-26)</b>	<b>244,844</b>	<b>257,219</b>			27
28		<b>TOTAL INCOME (lines 15, 27)</b>	<b>3,224,926</b>	<b>2,718,128</b>			28
		<b>MISCELLANEOUS DEDUCTIONS FROM INCOME</b>					
29		(534) Expenses of property used in other than carrier operations	19,675	20,391			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	21,820	16,411			34
35		(553) Uncollectible accounts					35
36		<b>TOTAL MISCELLANEOUS DEDUCTIONS (lines 29-35)</b>	<b>41,495</b>	<b>36,802</b>			36
37		Income available for fixed charges (lines 28, 36)	3,183,431	2,681,326			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.
		<b>FIXED CHARGES</b>			
38		(546) Interest on funded debt:			
		(a) Fixed interest not in default	46,397	34,956	38
39		(b) Interest in default			39
40		(547) Interest on unfunded debt	102,217	125,302	40
41		(548) Amortization of discount on funded debt	46	50	41
42		TOTAL FIXED CHARGES (lines 38-41)	148,660	160,308	42
43		Income after fixed charges (lines 37, 42)	3,034,771	2,521,018	43
		<b>OTHER DEDUCTIONS</b>			
44		(546) Interest on funded debt:			
		(c) Contingent interest			44
		<b>UNUSUAL OR INFREQUENT ITEMS</b>			
45		(555) Unusual or infrequent items (debit) credit			45
46		Income (Loss) from continuing operations (before income taxes)	3,034,771	2,521,018	46
		<b>PROVISIONS FOR INCOME TAXES</b>			
47	*	(556) Income taxes on ordinary income:			
		(a) Federal income taxes	503,087	501,851	47
48	*	(b) State income taxes	40,014	61,701	48
49	*	(c) Other income taxes			49
50	*	(557) Provision for deferred taxes	496,666	312,291	50
51		TOTAL PROVISIONS FOR INCOME TAXES (lines 47-50)	1,039,767	875,843	51
52		Income from continuing operations (lines 46+51)	1,995,004	1,645,175	52
		<b>DISCONTINUED OPERATIONS</b>			
53		(560) Income or loss from operations of discontinued segments (less applicable income taxes of \$ )			53
54		(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of \$ )			54
55		Income before extraordinary items (lines 52+53+54)	1,995,004	1,645,175	55
		<b>EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES</b>			
56		(570) Extraordinary items (Net)			56
57		(590) Income taxes on extraordinary items			57
58		(591) Provision for deferred taxes-Extraordinary items			58
59		TOTAL EXTRAORDINARY ITEMS (lines 56-58)			59
60		(592) Cumulative effect of changes in accounting principles (less applicable tax of \$ )			60
61	*	Net income (Loss) (lines 55+59+60)	1,995,004	1,645,175	61
		<b>Reconciliation of net railway operating income(NROI)</b>			
62		Net revenues from railway operation	2,980,082	2,460,909	62
63	*	(556) Income taxes on ordinary income ( - )	(543,101)	(563,552)	63
64	*	(557) Provision for deferred income taxes ( - )	(496,666)	(312,291)	64
65		Income from lease of road and equipment ( - )	(8,918)	(8,385)	65
66		Rent for leased roads and equipment ( + )	23,432	23,266	66
67		Net railway operating income (loss)	1,954,829	1,599,947	67

**Notes and Remarks For Schedules 210 and 220**

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**220. RETAINED EARNINGS**  
(Dollars in Thousands)

1. Show below the items of Retained Earnings Accounts of the respondent for the year, classified in accordance with the Uniform System of Accounts for Railroad Companies.
2. All contra entries hereunder should be shown in parentheses.
3. Show under "Remarks" the amount of assigned Federal income tax consequences for 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			1
2	(601.5)	Prior period adjustments to beginning retained earnings	7,579,207		2
		<b>CREDITS</b>			
3	(602)	Credit balance transferred from income	1,995,004		3
4	(603)	Appropriations released			4
5	(606)	Other credits to retained earnings			5
6		<b>TOTAL</b>	1,995,004		6
		<b>DEBITS</b>			
7	(612)	Debit balance transferred from income			7
8	(616)	Other debits to retained earnings	2,794		8
9	(620)	Appropriations for sinking and other funds			9
10	(621)	Appropriations for other purposes			10
11	(623)	Dividends: Common stock	2,000,280		11
12		Preferred stock (1)			12
13		<b>TOTAL</b>	2,003,074		13
14		Net increase (decrease) during year (line 6 minus line 13)	(8,070)		14
15		Balances at close of year (lines 1, 2 & 14)	7,571,137		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	7,571,137	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 year \$0			21
		Amount of assigned Federal income tax consequences:			
22		Account 606 \$ None			22
23		Account 616 \$ None			23

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

Amounts on line 8 represent distributions of earnings associated with a limited liability company. Board approval for use of Account 616 was received March 22, 2012.

\* 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			\$7,020,336	11
12	Capital Stock Sold								12
13	Capital Stock Reacquired								13
14	Capital Stock Canceled								14
15	Contribution to Capital							\$43,603	15
16									16
17	Balance at close of year				\$166,690			\$7,063,939	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		<b>NET CASH PROVIDED BY OPERATING ACTIVITIES (Lines 1-8)</b>			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	1,995,004	1,645,175	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	(33,118)	(39,972)	11
12		Depreciation and amortization expenses	918,088	880,122	12
13		Increase (decrease) in provision for deferred income taxes	496,666	312,291	13
14		Net decrease (increase) in undistributed earnings (losses) of affiliates	(9,995)	(11,214)	14
15		Decrease (increase) in accounts receivable	(211,938)	(43,342)	15
16		Decrease (increase) in materials and supplies, and other current assets	(26,314)	(6,186)	16
17		Increase (decrease) in current liabilities other than debt	106,232	147,250	17
18		Increase (decrease) in other-net	96,893	96,550	18
19		Net cash provided from continuing operations (Lines 10-18)	3,331,518	2,980,674	19
20		Add (subtract) cash generated (paid) by reason of discontinued operations and extraordinary items			20
21		<b>NET CASH PROVIDED FROM OPERATING ACTIVITIES (Lines 19 &amp; 20)</b>	3,331,518	2,980,674	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	41,716	43,064	22
23		Capital expenditures	(2,155,768)	(1,454,933)	23
24		Net change in temporary cash investments not qualifying as cash equivalents	282,709	(59,021)	24
25		Proceeds from sale/repayment of investment and advances	62,931	188,900	25
26		Purchase price of long-term investment and advances	(41,458)	(219,957)	26
27		Net decrease (increase) in sinking and other special funds	148,687	(101,175)	27
28		Other-net			28
29		<b>NET CASH USED IN INVESTING ACTIVITIES (Lines 22-28)</b>	(1,661,183)	(1,603,122)	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	100,000	30
31		Principal payments of long-term debt	(152,916)	(190,094)	31
32		Proceeds from issuance of capital stock	-	-	32
33		Purchase price of acquiring treasury stock	-	-	33
34		Cash dividends paid	-	-	34
35		Other - net	(2,114,044)	(1,472,425)	35
36		NET CASH USED IN FINANCING ACTIVITIES (Lines 30-35)	(2,166,960)	(1,562,519)	36
37		NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (Lines 21, 29 & 36)	(496,625)	(184,967)	37
38		Cash and cash equivalents at beginning of the year	742,242	927,209	38
39		CASH AND CASH EQUIVALENTS AT END OF THE YEAR (Lines 37 & 38)	245,617	742,242	39
		Footnotes to Schedule 240			
		Cash paid during the year for:			
40		Interest (net of amount capitalized)*	62,077	52,825	40
41		Income taxes (net)*	295,720	338,810	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.	Amount (b)	Line No.
<b>CURRENT OPERATING ASSETS</b>				
1	Interline and Other Balances (705)	Schedule 200, line 5, column b	55,684	1
2	Customers (706)	Schedule 200, line 6, column b	538,603	2
3	Other (707)	Note A	121,719	3
4	<b>TOTAL CURRENT OPERATING ASSETS</b>	Line 1 + 2 + 3	<b>716,006</b>	4
<b>OPERATING REVENUE</b>				
5	Railway Operating Revenue	Schedule 210, line 13, column b	11,171,773	5
6	Rent Income	Note B	228,685	6
7	<b>TOTAL OPERATING REVENUES</b>	Lines 5 + 6	<b>11,400,458</b>	7
8	Average Daily Operating Revenues	Line 7 ÷ 360 days	31,668	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
<b>CURRENT OPERATING LIABILITIES</b>				
11	Interline and Other Balances (752)	Schedule 200, line 31, column b	1,020	11
12	Audited Accounts and Wages Payable (753)	Note A	2,089	12
13	Accounts Payable-Other (754)	Note A	266	13
14	Other Taxes Accrued (761.5)	Note A	149,255	14
15	<b>TOTAL CURRENT OPERATING LIABILITIES</b>	Sum of lines 11 to 14	<b>152,630</b>	15
<b>OPERATING EXPENSES</b>				
16	Railway Operating Expenses	Schedule 210, line 14, column b	8,191,691	16
17	Depreciation	Schedule 410, lines 136, 137, 138, 213, 232, 317, column h	915,273	17
18	Cash Related Operating Expenses	Line 16 + line 6 - line 17	7,505,103	18
19	Average Daily Expenditures	Line 18 ÷ 360 days	20,848	19
20	Days of Operating Expenses in Current Operating Liabilities	Line 15 ÷ line 19	7	20
21	Days of Working Capital Required	Line 10 - line 20 (Note C)	31	21
22	Cash Working Capital Required	Line 21 x line 19	646,288	22
23	Cash and Temporary Cash Balance	Schedule 200, line 1 + line 2, column b	270,620	23
24	Cash Working Capital Allowed	Lesser line 22 and line 23	270,620	24
<b>MATERIALS AND SUPPLIES</b>				
25	Total Material and Supplies (712)	Note A	208,672	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	208,672	27
28	<b>TOTAL WORKING CAPITAL</b>	Line 24 + line 27	<b>479,292</b>	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**

[Empty rectangular box for 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 Company (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)	29.20	13
14				Pan Am Southern, LLC (14)	50.00	14
15						15
16				Total A-1		16
17						17
18						18
19						19
20						20
21						21
22		A-3	X	PTC 220, LLC (15)	14.29	22
23				MeteorComm, LLC (16)	25.00	23
24				Norfolk Southern Corp. (17)		24
25						25
26				Total A-3		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%    | (6) Controlled jointly-other RRs own 80.35% |
| (2) Controlled jointly-other RRs own 91.67% | (7) CSX Transp., Inc. owns 50%              |
| (3) Controlled jointly-other RRs own 59.36% | (8) CSX Transp., Inc. owns 50%              |
| (4) CSX Transp., Inc. owns 50%              | (9) CSX Transp., Inc. owns 66.67%           |
| (5) Controlled jointly-other RRs own 85.71% | (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 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	1,323			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	283,309	10,000		293,309				13
14	140,911	10,302		151,213				14
15								15
16	426,733	20,302	-	447,035	-	20		16
17								17
18								18
19								19
20								20
21								21
22	7,995	310	3,412	4,893				22
23	17,900	20,750		38,650				23
24	1,277,561	204,008	997	1,480,572				24
25								25
26	1,303,456	225,068	4,409	1,524,115				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 24, column h, represents stock donations.

(11) CSX Transp., Inc. owns 50% (15) Controlled jointly - Other RRs own 85.71%  
 (12) CSX Transp., Inc. owns 50% and FEC owns 25% (16) Controlled jointly - Other RRs own 75%  
 (13) KCS owns 70.80% of this LLC (17) Line 24, col. (f) and col. (i) see note 11, page 10  
 (14) Boston & Maine owns 50%

**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 Ry.		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 (f)	Investments and advances			Disposed of: profit (loss) (j)	Adjustments Account 721.5 (k)	Dividends or interest credited to income (l)	Line No.
		Additions (g)	Deductions (if other than sale, explain) (h)	Closing balance (i)				
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	3,416		1,792	1,624				9
10								10
11								11
12	7,967	-	1,792	6,175				12
13								13
14	39,731			39,731				14
15	4,599		597	4,002				15
16	383			383				16
17								17
18	44,713	-	597	44,116				18
19								19
20								20
21								21
22	1,782,869	245,370	6,798	2,021,441		20		22
23								23
24				(20)	721.5 Total			24
25				374,766	Sch. 310A Total			25
26				2,396,187				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

Line 9, column h, represents repayment of an advance.  
Line 15, column h, represents matured and/or sold investments.



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

Undistributed Earnings From Certain Investments in Affiliated Companies

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

Line No.	Name of issuing company and description of security held  (a)	Balance at beginning of year  (b)	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.
	Carriers: (List specifics for each company)							
1	Augusta & Summerville RR Co.	56					56	1
2	Belt Railway Company of Chicago	14,358		976			15,334	2
3	Central Transfer and Storage Co.	16					16	3
4	Meridian Speedway, LLC	(15,355)		(2,543)			(17,898)	4
5	Peoria and Pekin Union Rwy.	(49)	(691)	467			(273)	5
6	TTX Company	362,846		13,258			376,104	6
7	Winston-Salem Southbound Rwy.	5,877		(336)			5,541	7
8	Woodstock and Blocton Rwy. Co.	2	(6)	6			2	8
9	Pan Am Southern, LLC	(983)		734			(249)	9
10								10
11	Total Carriers	366,768	(697)	12,562			378,633	11
12								12
13	Noncarriers (List specifics for each company)							13
14	PTC 220, LLC	60		(95)			(35)	14
15	Meteorcomm, LLC	(1,296)		(2,536)			(3,832)	15
16								16
17	Total Noncarriers	(1,236)		(2,631)			(3,867)	17
18								18
19								19
20	Total Equity*	365,532	(697)	9,931			374,766	20
21								21
22	<b>NOTE:</b>							22
23	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.							23
24								24
25								25
26	Dividends received are accounted (in column (c)) as a reduction in the investment carrying value.							26
27								27
28	* Actual equity earnings, as reported on Schedule 210, Line 26 Column (b) are (\$2,961). The difference between the Schedule 210 and the equity in undistributed earnings listed above is due to a portion of the amounts credited to operating expenses. These earnings equal \$12,914 and adjustments to Other Comprehensive Income and Retained Earnings equals (\$22).							28
29								29
30								30
31								31
32								32

**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 termini and the cost of the property to the respondent. Also furnish a statement of the amount included in each primary account representing such property acquired, referring to the column or columns in which the entries appear.
10. If an amount of less than \$2,000 is used as the minimum for additions and betterments to property investment accounts as provided for in Instruction 2-2 of the Uniform System of Accounts for Railroad Companies, state in a footnote the amount used.

## NOTES AND REMARKS

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

642,460	Schedule 410, Lines 136 - 138, Column (h)
4,576	Shop Machinery Schedule 335, Line 26, column(c)
<u>10,952</u>	Depreciation capitalized
<u>657,988</u>	Total

638,900	Schedule 335, Line 30, Column (c)
(830)	Schedule 339, Line 41, Column (c)
<u>19,918</u>	Schedule 342, Line 29, Column (c)
<u>657,988</u>	Total

**Equipment (Column (c))**

272,813	Schedule 410, Sum of lines 213,232,317, Column (h)
(4,576)	Shop Machinery
-	Other
<u>268,237</u>	Total

267,548	Schedule 335, Line 40, Column (c)
<u>689</u>	Schedule 342, Line 38, Column (c)
<u>268,237</u>	

**Schedule 342 (Column (c))**

19,918	Road
<u>689</u>	Equipment
<u>20,607</u>	Schedule 342, Line 39

**Reconciliation of Accumulated Depreciation and Amortization to Schedule 200**

9,235,005	Schedule 335, Line 41, Column (g)
<u>303,589</u>	Schedule 342, Line 39, Column (g)
<u>9,538,594</u>	
<u>9,538,594</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	2,064,167			1
2		(3) Grading	2,987,617			2
3		(4) Other, right-of-way expenditures	9,965			3
4		(5) Tunnels and subways	369,137			4
5		(6) Bridges, trestles, and culverts	2,383,987			5
6		(7) Elevated structures	44,659			6
7		(8) Ties	3,800,239			7
8		(9) Rail and other track material	5,253,170			8
9		(11) Ballast	1,908,650			9
10		(13) Fences, snow sheds, and signs	7,939			10
11		(16) Station and office buildings	637,209			11
12		(17) Roadway buildings	49,731			12
13		(18) Water stations	0			13
14		(19) Fuel stations	75,993			14
15		(20) Shops and enginehouses	303,046			15
16		(22) Storage warehouses	4,143			16
17		(23) Wharves and docks	4,017			17
18		(24) Coal and ore wharves	187,151			18
19		(25) TOFC/COFC terminals	571,639			19
20		(26) Communications systems	512,106			20
21		(27) Signals and interlocker	1,304,334			21
22		(29) Power plants	2,777			22
23		(31) Power-transmissions systems	45,714			23
24		(35) Miscellaneous structures	19,362			24
25		(37) Roadway machines	526,057			25
26		(39) Public improvements-Construction	590,131			26
27		(44) Shop machinery	113,476			27
28		(45) Power-plant machinery	15,372			28
29		Other (specify and explain)	0			29
30		<b>TOTAL EXPENDITURES FOR ROAD</b>	<b>23,791,788</b>			<b>30</b>
31		(52) Locomotives *	4,020,018			31
32		(53) Freight-train cars	2,778,755			32
33		(54) Passenger-train cars	0			33
34		(55) Highway revenue equipment	184,571			34
35		(56) Floating equipment	0			35
36		(57) Work equipment	145,153			36
37		(58) Miscellaneous equipment	227,843			37
38		(59) Computer systems and word processing equip	376,245			38
39		<b>TOTAL EQUIPMENT</b>	<b>7,732,585</b>			<b>39</b>
40		(76) Interest during construction	0			40
41		(80) Other elements of investment	0			41
42		(90) Construction in progress	331,956			42
43		<b>GRAND TOTAL</b>	<b>31,856,329</b>			<b>43</b>

**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		7,136	4,983	2,153	2,066,320	1
2		29,321	12,479	16,842	3,004,459	2
3		31	1,031	(1,000)	8,965	3
4		1,386	3,817	(2,431)	366,706	4
5		59,744	23,959	35,785	2,419,772	5
6		0	2,104	(2,104)	42,555	6
7		248,122	79,416	168,706	3,968,945	7
8		305,041	67,444	237,597	5,490,767	8
9		127,516	26,121	101,395	2,010,045	9
10		2,084	53	2,031	9,970	10
11		15,234	(7,112)	22,346	659,555	11
12		3,806	(35)	3,841	53,572	12
13		0	0	0	0	13
14		2,489	190	2,299	78,292	14
15		9,015	7,299	1,716	304,762	15
16		0	0	0	4,143	16
17		(1,097)	(1,782)	685	4,702	17
18		19,395	(15,474)	34,869	222,020	18
19		28,664	7,245	21,419	593,058	19
20		24,198	6,027	18,171	530,277	20
21		88,557	12,688	75,869	1,380,203	21
22		0	0	0	2,777	22
23		(3,331)	752	(4,083)	41,631	23
24		(751)	1,725	(2,476)	16,886	24
25		44,832	40,111	4,721	530,778	25
26		42,209	273,819	(231,610)	358,521	26
27		16,939	622	16,317	129,793	27
28		0	85	(85)	15,287	28
29						29
30		1,070,540	547,567	522,973	24,314,761	30
31		301,569	34,816	266,753	4,286,771	31
32		279,312	49,769	229,543	3,008,298	32
33		0	0	0	0	33
34		178,149	2,003	176,146	360,717	34
35		0	0	0	0	35
36		1,378	2,105	(727)	144,426	36
37		37,987	38,698	(711)	227,132	37
38		62,459	30,959	31,500	407,745	38
39		860,854	158,350	702,504	8,435,089	39
40		0	0	0	0	40
41		0	0	0	0	41
42		219,264	1,365	217,899	549,855	42
43		2,150,658	707,282	1,443,376	33,299,705	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			LEASED FROM OTHERS			Line No.
		Depreciation base		Annual composite rate (percent) (d)	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)		
	<b>ROAD</b>							
1	(3) Grading	2,939,019	2,945,571	1.05%				1
2	(4) Other, right-of-way expenditures	8,886	8,420	1.05%				2
3	(5) Tunnels and subways	368,826	366,288	0.83%				3
4	(6) Bridges, trestles, and culverts	2,341,985	2,372,805	1.04%				4
5	(7) Elevated structures*	44,659	44,669	6.49%				5
6	(8) Ties	3,603,555	3,752,557	4.36%				6
7	(9) Rail and other track material	4,874,485	5,031,293	2.50%				7
8	(11) Ballast	1,797,428	1,886,082	2.50%				8
9	(13) Fences, snow sheds, and signs	7,713	9,744	1.05%				9
10	(16) Station and office buildings	610,707	629,682	2.34%				10
11	(17) Roadway buildings	49,528	53,272	2.27%				11
12	(18) Water stations	0	0	0.00%				12
13	(19) Fuel stations	75,594	75,996	3.26%				13
14	(20) Shops and enginehouses	295,013	296,484	2.00%	<b>NOT APPLICABLE - 5 % RULE</b>			14
15	(22) Storage warehouses	4,143	4,143	2.50%				15
16	(23) Wharves and docks	4,015	4,701	3.33%				16
17	(24) Coal and ore wharves	187,151	217,198	2.60%				17
18	(25) TOFC/COFC terminals	564,113	580,536	3.10%				18
19	(26) Communications systems	508,260	516,670	3.84%				19
20	(27) Signals and interlocker	1,268,712	1,321,316	1.78%				20
21	(29) Power plants	2,774	2,774	2.86%				21
22	(31) Power-transmissions systems	45,200	40,989	2.22%				22
23	(35) Miscellaneous structures	17,836	16,488	2.50%				23
24	(37) Roadway machines	526,056	526,595	5.59%				24
25	(39) Public improvements-Construction	560,748	353,533	7.95%				25
26	(44) Shop machinery	113,476	128,683	3.27%				26
27	(45) Power-plant machinery	15,371	15,285	2.13%				27
28	All other road accounts	0	0	0.00%				28
29	Amortization (Adjustments)	0	0	0.00%				29
30	<b>TOTAL ROAD</b>	<b>20,835,253</b>	<b>21,201,774</b>	<b>2.41%</b>				<b>30</b>
	<b>EQUIPMENT</b>							
31	(52) Locomotives	4,004,412	4,221,063	3.36%				31
32	(53) Freight-train cars	2,778,725	2,985,376	2.95%				32
33	(54) Passenger-train cars	0	0	0.00%				33
34	(55) Highway revenue equipment	184,571	341,163	6.84%				34
35	(56) Floating equipment	0	0	0.00%				35
36	(57) Work equipment	145,153	145,934	2.27%				36
37	(58) Miscellaneous equipment	227,843	203,428	8.18%				37
38	(59) Computer systems and word processing equipment	376,245	393,199	13.70%				38
39	<b>TOTAL EQUIPMENT</b>	<b>7,716,949</b>	<b>8,290,163</b>	<b>3.95%</b>				<b>39</b>
40	<b>GRAND TOTAL</b>	<b>28,552,202</b>	<b>29,491,937</b>	<b>2.99%</b>				<b>40</b>

\* See Footnotes for Schedule 332 on Page 39A.

**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)		
<b>ROAD</b>									
1		(3) Grading	556,427	70,412		7,872	100,490	518,477	1
2		(4) Other, right-of-way expenditures	1,674	101		2	233	1,540	2
3		(5) Tunnels and subways	40,352	4,211		69	5,923	38,571	3
4		(6) Bridges, trestles, and culverts	343,004	38,380		12,641	44,601	324,142	4
5		(7) Elevated structures	39,275	2,939		(311)	10,659	31,866	5
6		(8) Ties	1,182,926	178,288	4,693	114,987	0	1,250,920	6
7		(9) Rail and other track material	1,504,437	128,476		73,001	107,410	1,452,502	7
8		(11) Ballast	349,586	49,354		23,802	8,491	366,647	8
9		(13) Fences, snow sheds, and signs	3,694	99		4	228	3,561	9
10		(16) Station and office buildings	234,376	15,434		(3,255)	43,202	209,863	10
11		(17) Roadway buildings	28,613	1,148		16	4,386	25,359	11
12		(18) Water stations	0	0		0	0	0	12
13		(19) Fuel stations	15,161	2,662	338	995	0	17,166	13
14		(20) Shops and enginehouses	96,784	6,048		4,166	2,567	96,099	14
15		(22) Storage warehouses	1,763	104		1	498	1,368	15
16		(23) Wharves and docks	86	139	1	(1,633)	0	1,859	16
17		(24) Coal and ore wharves	88,882	5,253		(4,829)	3,137	95,827	17
18		(25) TOFC/COFC terminals	163,016	18,181		9,572	32,975	138,650	18
19		(26) Communications systems	256,771	20,072		1,986	33,343	241,514	19
20		(27) Signals and interlocker	254,366	23,933		11,927	42,778	223,594	20
21		(29) Power plants	2,445	86		0	587	1,944	21
22		(31) Power-transmissions systems	14,631	964		273	3,137	12,185	22
23		(35) Miscellaneous structures	7,328	457		364	21	7,400	23
24		(37) Roadway machines	203,838	30,027		38,512	30,729	164,624	24
25		(39) Public improvements-Construction	76,078	31,088	201,887	257,186	0	51,867	25
26		(44) Shop machinery*	45,375	4,576		1,225	5,731	42,995	26
27		(45) Power-plant machinery	9,871	348		55	1,995	8,169	27
28		All other road accounts	0	0		0	0	0	28
29		Amortization (Adjustments)	55,741	6,120	237,459	976	75,461	222,883	29
30		<b>TOTAL ROAD</b>	<b>5,576,500</b>	<b>638,900</b>	<b>444,378</b>	<b>549,604</b>	<b>558,582</b>	<b>5,551,592</b>	<b>30</b>
<b>EQUIPMENT</b>									
31	*	(52) Locomotives	1,395,205	147,607		29,549		1,513,263	31
32	*	(53) Freight-train cars	1,238,946	86,632		29,242		1,296,336	32
33	*	(54) Passenger-train cars	0	0		0		0	33
34	*	(55) Highway revenue equipment	87,963	14,834		1,807		100,990	34
35	*	(56) Floating equipment	0	0		0		0	35
36	*	(57) Work equipment	46,965	3,319		1,601		48,683	36
37	*	(58) Miscellaneous equipment	85,830	17,723		31,479		72,074	37
38		(59) Computer systems and WP Equip.	214,955	51,464		30,127		236,292	38
39	*	Amortization Adjustments	460,607	(54,031)	75,461	0	66,262	415,775	39
40		<b>TOTAL EQUIPMENT</b>	<b>3,530,471</b>	<b>267,548</b>	<b>75,461</b>	<b>123,805</b>	<b>66,262</b>	<b>3,683,413</b>	<b>40</b>
41		<b>GRAND TOTAL</b>	<b>9,106,971</b>	<b>906,448</b>	<b>519,839</b>	<b>673,409</b>	<b>624,844</b>	<b>9,235,005</b>	<b>41</b>

\* 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)			
	<b>ROAD</b>								
1	(3) Grading							1	
2	(4) Other, right-of-way expenditures							2	
3	(5) Tunnels and subways							3	
4	(6) Bridges, trestles, and culverts							4	
5	(7) Elevated structures							5	
6	(8) Ties							6	
7	(9) Rail and other track material							7	
8	(11) Ballast							8	
9	(13) Fences, snow sheds, and signs							9	
10	(16) Station and office buildings							10	
11	(17) Roadway buildings							11	
12	(18) Water stations							12	
13	(19) Fuel stations		<b>NOT APPLICABLE - 5 % RULE</b>						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	<b>TOTAL ROAD</b>							30	
	<b>EQUIPMENT</b>								
31	(52) Locomotives							31	
32	(53) Freight-train cars							32	
33	(54) Passenger-train cars							33	
34	(55) Highway revenue equipment							34	
35	(56) Floating equipment							35	
36	(57) Work equipment							36	
37	(58) Miscellaneous equipment							37	
38	(59) Computer systems and word processing equipment							38	
39	Amortization Adjustments							39	
40	<b>TOTAL EQUIPMENT</b>							40	
41	<b>GRAND TOTAL</b>	5,561	(830)	0	0	0	4,731	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 charges in rates were effective during the year, give full particulars in a footnote.
2. All improvements to leased properties may be combined and one composite rate computed for each primary account, or a separate schedule may be included for each such property.
3. If depreciation accruals have been discontinued for any account, the depreciation base should be reported, nevertheless, in support of depreciation reserves. Authority for the discontinuance of accruals should be shown in a footnote indicating the account(s) affected.
4. Disclosures in the respective sections of this schedule may be omitted if either total road leased from others or total equipment leased from others represents less than 5% of total road owned or total equipment owned, respectively. However, line 41, Grand Total, should be completed.

Line No.	Account (a)	Depreciation base		Annual composite rate (percent) (d)	No.
		At beginning of year (b)	At close of year (c)		
	<b>ROAD</b>				
1	(3) Grading				1
2	(4) Other, right-of-way expenditures				2
3	(5) Tunnels and subways				3
4	(6) Bridges, trestles, and culverts				4
5	(7) Elevated structures				5
6	(8) Ties				6
7	(9) Rail and other track material				7
8	(11) Ballast				8
9	(13) Fences, snow sheds, and signs				9
10	(16) Station and office buildings				10
11	(17) Roadway buildings				11
12	(18) Water stations				12
13	(19) Fuel stations				13
14	(20) Shops and enginehouses	<b>NOT APPLICABLE - 5 % RULE</b>			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	<b>TOTAL ROAD</b>				30
	<b>EQUIPMENT</b>				
31	(52) Locomotives				31
32	(53) Freight-train cars				32
33	(54) Passenger-train cars				33
34	(55) Highway revenue equipment				34
35	(56) Floating equipment				35
36	(57) Work equipment				36
37	(58) Miscellaneous equipment				37
38	(59) Computer systems and word processing equipment				38
39	Amortization Adjustments				39
40	<b>TOTAL EQUIPMENT</b>				40
41	<b>GRAND TOTAL</b>	711,088	741,474	2.78%	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)			
		<b>ROAD</b>								
1		(3) Grading							1	
2		(4) Other, right-of-way expenditures							2	
3		(5) Tunnels and subways							3	
4		(6) Bridges, trestles, and culverts							4	
5		(7) Elevated structures							5	
6		(8) Ties							6	
7		(9) Rail and other track material							7	
8		(11) Ballast							8	
9		(13) Fences, snow sheds, and signs							9	
10		(16) Station and office buildings							10	
11		(17) Roadway buildings							11	
12		(18) Water stations							12	
13		(19) Fuel stations		<b>NOT APPLICABLE - 5 % RULE</b>						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		<b>TOTAL ROAD</b>							29	
		<b>EQUIPMENT</b>								
30		(52) Locomotives							30	
31		(53) Freight-train cars							31	
32		(54) Passenger-train cars							32	
33		(55) Highway revenue equipment							33	
34		(56) Floating equipment							34	
35		(57) Work equipment							35	
36		(58) Miscellaneous equipment							36	
37		(59) Computer systems and WP equip.							37	
38		<b>TOTAL EQUIPMENT</b>							38	
39		<b>GRAND TOTAL</b>	218,557	20,607	113,358	40,580	8,353	303,589	39	

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

## NOTES AND REMARKS

**SCHEDULE 330**

The following accounts received transfers greater than \$100,000:

3 (Grading) to 25 (TOFC/COFC terminals)	(2,306,282.45)
3 (Grading) to 39 (Public improvements-Construction)	(856,591.17)
3 (Grading) to 8 (Ties)	(101,000.00)
4 (Other, right-of-way expenditures) to 9 (Rail and other track material)	(1,030,215.69)
5 (Tunnels and subways) from 11 (Ballast)	150,117.18
5 (Tunnels and subways) to 11 (Ballast)	(341,483.26)
5 (Tunnels and subways) to 6 (Bridges, trestles, and culverts)	(628,779.64)
5 (Tunnels and subways) to 8 (Ties)	(531,915.26)
5 (Tunnels and subways) to 9 (Rail and other track material)	(1,800,738.42)
6 (Bridges, trestles, and culverts) from 5 (Tunnels and subways)	628,779.64
6 (Bridges, trestles, and culverts) to 25 (TOFC/COFC terminals)	(8,957,883.92)
6 (Bridges, trestles, and culverts) to 27 (Signals and interlocker)	(1,835,695.00)
8 (Ties) from 3 (Grading)	101,000.00
8 (Ties) from 5 (Tunnels and subways)	531,915.26
8 (Ties) to 9 (Rail and other track material)	(135,000.00)
8 (Ties) from 9 (Rail and other track material)	142,526.00
9 (Rail and other track material) from 11 (Ballast)	104,123.80
9 (Rail and other track material) from 25 (TOFC/COFC terminals)	409,148.90
9 (Rail and other track material) from 4 (Other, right-of-way expenditures)	1,030,215.69
9 (Rail and other track material) from 5 (Tunnels and subways)	1,800,738.42
9 (Rail and other track material) from 8 (Ties)	135,000.00
9 (Rail and other track material) to 8 (Ties)	(142,526.00)
11 (Ballast) to 5 (Tunnels and subways)	(150,117.18)
11 (Ballast) from 5 (Tunnels and subways)	341,483.26
11 (Ballast) to 9 (Rail and other track material)	(104,123.80)
16 (Station and office buildings) to 24 (Coal and ore wharves)	(6,270,996.62)
16 (Station and office buildings) from 25 (TOFC/COFC terminals)	10,230,624.68
16 (Station and office buildings) from 26 (Communications systems)	4,344,504.77
16 (Station and office buildings) from 35 (Miscellaneous structures)	1,132,032.45
19 (Fuel stations) from 20 (Shops and enginehouses)	853,663.71
20 (Shops and enginehouses) to 19 (Fuel stations)	(853,663.71)
20 (Shops and enginehouses) to 24 (Coal and ore wharves)	(3,146,999.53)
20 (Shops and enginehouses) to 44 (Shop machinery)	(424,926.24)
23 (Wharves and docks) from 16 (Station and office buildings)	1,907,904.38
23 (Wharves and docks) to 24 (Coal and ore wharves)	(154,663.46)
24 (Coal and ore wharves) from 16 (Station and office buildings)	8,133,045.97
24 (Coal and ore wharves) from 20 (Shops and enginehouses)	3,146,999.53
24 (Coal and ore wharves) from 23 (Wharves and docks)	154,663.46
24 (Coal and ore wharves) from 26 (Communications systems)	946,164.90
24 (Coal and ore wharves) from 27 (Signals and interlocker)	3,760,134.58
24 (Coal and ore wharves) from 31 (Power-transmissions systems)	312,489.60
24 (Coal and ore wharves) from 35 (Miscellaneous structures)	578,923.44
25 (TOFC/COFC terminals) from 16 (Station and office buildings)	234,398.24
25 (TOFC/COFC terminals) to 16 (Station and office buildings)	(10,230,624.68)
25 (TOFC/COFC terminals) to 59 (Computer systems and word processing equip)	(138,005.73)
25 (TOFC/COFC terminals) to 9 (Rail and other track material)	(409,148.90)
25 (TOFC/COFC terminals) from 26 (Communications systems)	127,799.88
25 (TOFC/COFC terminals) from 3 (Grading)	2,306,282.45
25 (TOFC/COFC terminals) from 6 (Bridges, trestles, and culverts)	8,957,883.92
26 (Communications systems) to 16 (Station and office buildings)	(4,344,504.77)
26 (Communications systems) to 24 (Coal and ore wharves)	(946,164.90)
26 (Communications systems) to 25 (TOFC/COFC terminals)	(112,970.73)
27 (Signals and interlocker) to 24 (Coal and ore wharves)	(3,760,134.58)
27 (Signals and interlocker) from 6 (Bridges, trestles, and culverts)	1,835,695.00
31 (Power-transmissions systems) to 24 (Coal and ore wharves)	(312,489.60)

## NOTES AND REMARKS

**SCHEDULE 330 (CONTINUED)**

31 (Power-transmissions systems) to 44 (Shop machinery)	(449,253.60)
35 (Miscellaneous structures) to 16 (Station and office buildings)	(1,132,032.45)
35 (Miscellaneous structures) to 24 (Coal and ore wharves)	(578,923.44)
39 (Public improvements-Construction) from 3 (Grading)	856,591.17
44 (Shop machinery) from 20 (Shops and enginehouses)	424,926.24
44 (Shop machinery) from 31 (Power-transmissions systems)	449,253.60
53 (Freight-train cars) to 57 (Work equipment)	(514,761.08)
57 (Work equipment) from 53 (Freight-train cars)	514,761.08
57 (Work equipment) to 58 (Miscellaneous equipment)	(457,454.32)
58 (Miscellaneous equipment) from 57 (Work equipment)	457,454.32
59 (Computer systems and word processing equip) from 25 (TOFC/COFC terminals)	138,005.73

**SCHEDULE 332**

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

**SCHEDULE 335**

## Column (d) Other Credits

4,693	ICC 8 Adjustments of Accum Reserve to reflect results of latest Depreciation Study
338	ICC 19 Adjustments of Accum Reserve to reflect results of latest Depreciation Study
1	ICC 23 Adjustments of Accum Reserve to reflect results of latest Depreciation Study
201,887	ICC 39 Adjustments of Accum Reserve to reflect results of latest Depreciation Study
237,459	Amortization Adjustments to reflect results of latest Depreciation Study
75,461	Deficiency from prior studies reclassified from Equipment
<u>519,839</u>	Total Other Credits

## Column (F) Other Debits

100,490	ICC 3 Adjustments of Accum Reserve to reflect results of latest Depreciation Study
233	ICC 4 Adjustments of Accum Reserve to reflect results of latest Depreciation Study
5,923	ICC 5 Adjustments of Accum Reserve to reflect results of latest Depreciation Study
44,601	ICC 6 Adjustments of Accum Reserve to reflect results of latest Depreciation Study
10,659	ICC 7 Adjustments of Accum Reserve to reflect results of latest Depreciation Study
107,410	ICC 9 Adjustments of Accum Reserve to reflect results of latest Depreciation Study
8,491	ICC 11 Adjustments of Accum Reserve to reflect results of latest Depreciation Study
228	ICC 13 Adjustments of Accum Reserve to reflect results of latest Depreciation Study
43,202	ICC 16 Adjustments of Accum Reserve to reflect results of latest Depreciation Study
4,386	ICC 17 Adjustments of Accum Reserve to reflect results of latest Depreciation Study
2,567	ICC 20 Adjustments of Accum Reserve to reflect results of latest Depreciation Study
498	ICC 22 Adjustments of Accum Reserve to reflect results of latest Depreciation Study
3,137	ICC 24 Adjustments of Accum Reserve to reflect results of latest Depreciation Study
32,975	ICC 25 Adjustments of Accum Reserve to reflect results of latest Depreciation Study
33,343	ICC 26 Adjustments of Accum Reserve to reflect results of latest Depreciation Study
42,778	ICC 27 Adjustments of Accum Reserve to reflect results of latest Depreciation Study
587	ICC 29 Adjustments of Accum Reserve to reflect results of latest Depreciation Study
3,137	ICC 31 Adjustments of Accum Reserve to reflect results of latest Depreciation Study
21	ICC 35 Adjustments of Accum Reserve to reflect results of latest Depreciation Study
30,729	ICC 37 Adjustments of Accum Reserve to reflect results of latest Depreciation Study
5,731	ICC 44 Adjustments of Accum Reserve to reflect results of latest Depreciation Study
1,995	ICC 45 Adjustments of Accum Reserve to reflect results of latest Depreciation Study
75,461	Deficiency from prior studies reclassified to Roadway
66,262	Excess reserve transferred to Leasehold Improvement Accumulated Reserve
<u>624,844</u>	Total Other Debits

**SCHEDULE 342**

## Column (d) Other Credits

47,096	Adjustments of Accum Reserve to reflect results of latest Depreciation Study
66,262	Excess reserve transferred to Leasehold Improvement Accumulated Reserve
<u>113,358</u>	Total Other Credits

## Column (F) Other Debits

<u>8,353</u>	Adjustments of Accum Reserve to reflect results of latest Depreciation Study
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**350. DEPRECIATION BASE AND RATES -- ROAD AND EQUIPMENT LEASED TO OTHERS**

(Dollars in Thousands)

1. This schedule is to be used in cases where the related depreciation reserve is carried in the accounts of the respondent and the rent therefrom is included in Accounts 32-11-00, 32-12-00, 32-13-00, 32-21-00, 32-22-00, and 32-23-00
2. Show in columns (b) and (c), for each primary account, the depreciation base used in computing the depreciation for the months of January and December, respectively, with respect to road and equipment owned by the respondent but leased to others, the depreciation charges for which are not 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)		
	<b>ROADWAY</b>				
1	(3) Grading				1
2	(4) Other, right-of-way expenditures				2
3	(5) Tunnels and subways				3
4	(6) Bridges, trestles, and culverts				4
5	(7) Elevated structures				5
6	(8) Ties				6
7	(9) Rail and other track material				7
8	(11) Ballast				8
9	(13) Fences, snow sheds, and signs				9
10	(16) Station and office buildings				10
11	(17) Roadway buildings				11
12	(18) Water stations				12
13	(19) Fuel stations				13
14	(20) Shops and enginehouses				14
15	(22) Storage warehouses				15
16	(23) Wharves and docks				16
17	(24) Coal and ore wharves				17
18	(25) TOFC/COFC terminals				18
19	(26) 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	<b>TOTAL ROAD</b>				29
	<b>EQUIPMENT</b>				
30	(52) Locomotives				30
31	(53) Freight-train cars				31
32	(54) Passenger-train cars				32
33	(55) Highway revenue equipment				33
34	(56) Floating equipment				34
35	(57) Work equipment				35
36	(58) Miscellaneous equipment				36
37	(59) Computer systems and WP equipment				37
38	<b>TOTAL EQUIPMENT</b>				38
39	<b>GRAND TOTAL</b>				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)		
<b>ROADWAY</b>								
1	(3) Grading							1
2	(4) Other, right-of-way expenditures							2
3	(5) Tunnels and subways							3
4	(6) Bridges, trestles, and culverts							4
5	(7) Elevated structures							5
6	(8) Ties							6
7	(9) Rail and other track material							7
8	(11) Ballast							8
9	(13) Fences, snow sheds, and signs							9
10	(16) Station and office buildings							10
11	(17) Roadway buildings							11
12	(18) Water stations							12
13	(19) Fuel stations							13
14	(20) Shops and enginehouses							14
15	(22) Storage warehouses							15
16	(23) Wharves and docks							16
17	(24) Coal and ore wharves							17
18	(25) TOFC/COFC terminals							18
19	(26) 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	<b>TOTAL ROAD</b>							29
<b>EQUIPMENT</b>								
30	(52) Locomotives							30
31	(53) Freight-train cars							31
32	(54) Passenger-train cars							32
33	(55) Highway revenue equipment							33
34	(56) Floating equipment							34
35	(57) Work equipment							35
36	(58) Miscellaneous equipment							36
37	(59) Computer systems and WP equip.							37
38	<b>TOTAL EQUIPMENT</b>							38
39	<b>GRAND TOTAL</b>							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	17,331	33,299,705	9,538,594	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	49,540	32,125	5
6	L	P & WV Subleased to Wheeling & Lake Erie	(121)	(49,540)	(32,125)	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		<b>Less Lines Leased to or Operated by Others</b>				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	Autauga Northern Railway	42	17,432		20
21	R	BN Railroad	27	2,864		21
22	R	Buffalo & Pittsburg Railroad	71	18,831		22
23	R	C & NC Railroad	22	2,477		23
24	R	C S X, Corp.	20	2,893		24
25	R	Carolina Coastal Railway	154	10,331		25

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 of Georgia	8	1,702		26
27	R	Central New York Railroad	123	63,694		27
28	R	Central Railroad Company of Indianapolis	38	5,862		28
29	R	Charleston, Blue Creek & Sanderson	27	8,703		29
30	R	Chattanooga Chickamauga Railway	19	2,163		30
31	R	Chesapeake & Albemarle Railway	77	10,211		31
32	R	Cleveland Commercial Railroad	24	26,045		32
33	R	Commonwealth Railway Company	13	1,345		33
34	R	East Chattanooga Belt Railway	4	605		34
35	R	East Penn Railroad LLC	5	5,194		35
36	R	Eastern Shore Railroad	5	558		36
37	R	Elkhart & Western	23	7,678		37
38	R	Georgia & Florida Railway Company	58	7,559		38
39	R	Georgia Southwestern Railway	50	5,497		39
40	R	Grand Elk Railroad LLC	123	55,023		40
41	R	Great Walton Railroad Company	27	3,453		41
42	R	Iowa Interstate	14	1,496		42
43	R	Jackson & Lansing Railroad	45	18,304		43
44	R	Lehigh Railway	56	45,116		44
45	R	Metra	33	3,540		45
46	R	Middletown & New Jersey Railroad LLC	36	21,044		46
47	R	Ogeechee Railway	57	7,778		47
48	R	R J Corman Co. - Western Ohio Line	16	1,754		48
49	R	Railtex	72	10,675		49
50	R	South Carolina Central Railroad	79	10,379		50
51	R	West Tennessee Railway Company	138	19,958		51
52	R	Western New York & Pennsylvania Railroad Company	95	38,120		52
53	R	Yadkin Valley Railroad	93	8,776		53
54	R	SUB-TOTAL	1,838	468,436	0	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	15,851	32,885,112	9,538,594	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	2,008,729	5,493		1	1
2		(3) Grading	2,936,965	21,826		12	2
3		(4) Other, right-of-way expenditures	7,040	137		0	3
4		(5) Tunnels and subways	366,495	5,574		0	4
5		(6) Bridges, trestles, and culverts	2,377,903	10,687		71	5
6		(7) Elevated structures	42,555	0		0	6
7		(8) Ties	3,861,958	1,174		225	7
8		(9) Rail and other track material	5,362,971	5,884		337	8
9		(11) Ballast	1,952,669	2,156		97	9
10		(13) Fences, snow sheds, and signs	9,905	181		0	10
11		(16) Station and office buildings	658,567	1,288		0	11
12		(17) Roadway buildings	53,533	71		0	12
13		(18) Water stations	0	24		0	13
14		(19) Fuel stations	78,279	70		0	14
15		(20) Shops and enginehouses	304,705	47		0	15
16		(22) Storage warehouses	4,143	0		0	16
17		(23) Wharves and docks	4,702	0		0	17
18		(24) Coal and ore wharves	222,020	0		0	18
19		(25) TOFC/COFC terminals	592,605	0		0	19
20		(26) Communications systems	529,775	204		5	20
21		(27) Signals and interlocker	1,376,883	666		3	21
22		(29) Power plants	2,777	0		0	22
23		(31) Power-transmissions systems	41,518	0		0	23
24		(35) Miscellaneous structures	16,883	6		0	24
25		(37) Roadway machines	530,778	0		0	25
26		(39) Public improvements-Construction	356,887	1,445		3	26
27		(44) Shop machinery*	129,793	19		0	27
28		(45) Power-plant machinery	15,287	8		0	28
29		Leased property capitalized rentals (explain)	0	0		0	29
30		Other (specify and explain) Accts. 1 & 77	0	3,658		0	30
31		TOTAL EXPENDITURES FOR ROAD	23,846,325	60,618	0	754	31
32		(52) Locomotives	4,286,771	0		0	32
33		(53) Freight-train cars	3,008,298	0		0	33
34		(54) Passenger-train cars	0	0		0	34
35		(55) Highway revenue equipment	360,717	0		0	35
36		(56) Floating equipment	0	0		0	36
37		(57) Work equipment	144,426	0		0	37
38		(58) Miscellaneous equipment	227,132	0		0	38
39		(59) Computer systems and word processing equip	407,745	0		0	39
40		TOTAL EQUIPMENT	8,435,089	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	549,855	0		0	43
44		GRAND TOTAL	32,831,269	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	=	
Line 620, column (g)	=	Line 14, column (e)		through 135, column (f)	=	Line 29, column (c)
		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)
				Lines 311, 312, 315, 316, column (f)	=	Lines 32, 35, 36, 37, 40, 41, column (f)
						And
						Schedule 414
Line 507, column (f)	=	Line 1, column (j)				Minus line 24, columns (b) through (d)
Line 508, column (f)	=	Line 2, column (j)				plus line 24, columns (e) through (g)
Line 509, column (f)	=	Line 3, column (j)				
Line 510, column (f)	=	Line 4, column (j)				Schedule 415
Line 511, column (f)	=	Line 5, column (j)				
Line 512, column (f)	=	Line 6, column (j)				
Line 513, column (f)	=	Line 7, column (j)		Line 213, column (f)	=	Lines 5, 38, columns (c) and (d)
Line 514, column (f)	=	Line 8, column (j)		Line 232, column (f)	=	Lines 24, 39, columns (c) and (d)
Line 515, column (f)	=	Line 9, column (j)		Line 317, column (f)	=	Lines 32, 35, 36, 37, 40, 41, columns (c) and (d)
Line 516, column (f)	=	Line 10, column (j)				
Line 517, column (f)	=	Line 11, column (j)				
				Line 202, 203, 216, column (f), equal		Lines 5, 38, column (b)
				to or greater than, but variance cannot		
				exceed line 216, column (f)		
		Schedule 210				
Line 4, column (b)	=	Line 47, column (b)		Lines 221, 222, 235, column (f), equal		Lines 24, 39, column (b)
				to or greater than, but variance cannot		
				exceed line 235, column (f)		
				Lines 302 through 307 and 320, column (f)		Lines 32, 35, 36, 37, 40, 41, column (b)
				equal to or greater than, but variance		
				cannot exceed line 320, column (f)		

**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	1,133	2,505	2,971	6,526	13,135		13,135	1
2		Bridge and Building	13	317	4,192	872	5,394		5,394	2
3		Signal	35	378	605	988	2,006		2,006	3
4		Communication	12	84	1,582	724	2,402		2,402	4
5		Other	2,717				2,717		2,717	5
		TOTAL ADMINISTRATION	3,910	3,284	9,350	9,110	25,654		25,654	
		REPAIR AND MAINTENANCE:								
6		Roadway - Running	19,576	597	33,359		53,532		53,532	6
7		Roadway - Switching	1,497	5	789		2,291		2,291	7
8		Tunnels and Subways - Running	2	10	145		157		157	8
9		Tunnels and Subways - Switching			4		4		4	9
10		Bridges and Culverts - Running	16,804	3,656	17,170	2,868	40,498		40,498	10
11		Bridges and Culverts - Switching	943	121	917	162	2,143		2,143	11
12		Ties - Running	4,390	3,755	12	5	8,162		8,162	12
13		Ties - Switching	162	295			457		457	13
14		Rail and Other Track Material - Running	48,043	28,980	33,661	11,368	122,052		122,052	14
15		Rail and Other Track Material - Switching	4,452	1,357	1,741	567	8,117		8,117	15
16		Ballast - Running	5,221	2,987	3,650	1,295	13,153		13,153	16
17		Ballast - Switching	347	157	104	16	624		624	17
18		Road Property Damaged - Running	3,605	9,927	7,817	54	21,403		21,403	18
19		Road Property Damaged - Switching								19
20		Road Property Damaged - Other	5	42	7		54		54	20
21		Signals and Interlockers - Running	19,180	17,383	8,331	1,497	46,391		46,391	21
22		Signals and Interlockers - Switching	3,188	162	19	61	3,430		3,430	22
23		Communications Systems	5,995	2,132	22,303	24	30,454		30,454	23
24		Power Systems	795	143			938		938	24
25		Highway Grade Crossings- Running	892	1,363	4,907	668	7,830		7,830	25
26		Highway Grade Crossings- Switching		37	138		175		175	26
27		Station and Office Buildings	1,186	1,647	10,564	8	13,405		13,405	27
28		Shop Buildings - Locomotives	2,673	3,309	5,566		11,548		11,548	28
29		Shop Buildings - Freight Cars	533	1,290	2,740		4,563	N/A	4,563	29
30		Shop Buildings - Other Equipment	49	66	114		229		229	30

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

Line No.	Cross Check	Name of railway operating expense account (a)	FREIGHT					Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)			
101		REPAIR AND MAINTENANCE - Continued: Locomotive Servicing Facilities	1	17	410		428		428	101
102		Miscellaneous Buildings and Structures	605	721	812		2,138		2,138	102
103		Coal Terminals	2,584	2,377	2,454	1	7,416	N/A	7,416	103
104		Ore Terminals						N/A		104
105		Other Marine Terminals						N/A		105
106		TOFC/COFC Terminals	140	3,231	5,564		8,935	N/A	8,935	106
107		Motor Vehicle Loading and Distribution Facilities			470		470	N/A	470	107
108		Facilities for Other Specialized Service Operations	1	1,082	1,535	69	2,687	N/A	2,687	108
109		Roadway Machines	9,649	20,543	2,362	929	33,483		33,483	109
110		Small Tools and Supplies		20,719	1,568	1	22,288		22,288	110
111		Snow Removal	3,263	204	4,410	1	7,878		7,878	111
112		Fringe Benefits - Running				147,990	147,990		147,990	112
113		Fringe Benefits - Switching				4,361	4,361		4,361	113
114		Fringe Benefits - Other				15,199	15,199		15,199	114
115		Casualties and Insurance - Running				33,563	33,563		33,563	115
116		Casualties and Insurance - Switching				2,550	2,550		2,550	116
117		Casualties and Insurance - Other				8,435	8,435		8,435	117
118	*	Lease Rentals - Debit- Running			37,569		37,569		37,569	118
119	*	Lease Rentals - Debit - Switching			123,251		123,251		123,251	119
120	*	Lease Rentals - Debit - Other			24,874		24,874		24,874	120
121	*	Lease Rentals - (Credit) - Running			(8,918)		(8,918)		(8,918)	121
122	*	Lease Rentals - (Credit) - Switching								122
123	*	Lease Rentals - (Credit) - Other								123
124		Joint Facility Rent - Debit - Running			5,062		5,062		5,062	124
125		Joint Facility Rent - Debit - Switching			1,181		1,181		1,181	125
126		Joint Facility Rent - Debit - Other			69		69		69	126
127	*	Joint Facility Rent - (Credit) - Running			(11,536)		(11,536)		(11,536)	127
128	*	Joint Facility Rent - (Credit) - Switching			(655)		(655)		(655)	128
129	*	Joint Facility Rent - (Credit) - Other			(21)		(21)		(21)	129
130	*	Other Rents - Debit -Running			3,377		3,377		3,377	130
131	*	Other Rents - Debit -Switching			39		39		39	131
132	*	Other Rents - Debit -Other			1,993		1,993		1,993	132
133	*	Other Rents - (Credit) -Running								133
134	*	Other Rents - (Credit) -Switching								134
135	*	Other Rents - (Credit) -Other			(1,013)		(1,013)		(1,013)	135

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				337,217	337,217		337,217	136
137	*	Depreciation - Switching				29,990	29,990		29,990	137
138	*	Depreciation - Other				275,253	275,253		275,253	138
139		Joint Facility - Debit - Running			54,454		54,454		54,454	139
140		Joint Facility - Debit - Switching			4,979		4,979		4,979	140
141		Joint Facility - Debit - Other			377		377		377	141
142		Joint Facility - (Credit) - Running			(41,527)		(41,527)		(41,527)	142
143		Joint Facility - (Credit) - Switching			(1,951)		(1,951)		(1,951)	143
144		Joint Facility - (Credit) - Other			(249)		(249)		(249)	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	2,017	1,878		1,573	5,468		5,468	148
149		Other - Switching			1		1		1	149
150		Other - Other			134		134		134	150
		TOTAL REPAIR AND MAINTENANCE	157,798	130,193	365,133	875,725	1,528,849		1,528,849	
151		TOTAL WAY AND STRUCTURES	161,708	133,477	374,483	884,835	1,554,503		1,554,503	151
		EQUIPMENT:								
		LOCOMOTIVES:								
201		Administration	7,446	597	876	1,616	10,535		10,535	201
202	*	Repair and Maintenance	101,561	179,452	22,322	234	303,569		303,569	202
203	*	Machinery Repair	3,468	3,004	1,261	1	7,734		7,734	203
204		Equipment Damaged	67	330	22		419		419	204
205		Fringe Benefits				52,904	52,904		52,904	205
206		Other Casualties and Insurance				21,417	21,417		21,417	206
207	*	Lease Rentals - Debit			20,885		20,885		20,885	207
208	*	Lease Rentals - (Credit)			(4,632)		(4,632)		(4,632)	208
209		Joint Facility Rent - Debit								209
210	*	Joint Facility Rent - (Credit)								210
211	*	Other Rents - Debit			219		219		219	211
212	*	Other Rents - (Credit)								212
213	*	Depreciation				129,611	129,611		129,611	213
214		Joint Facility - Debit								214
215		Joint Facility - (Credit)								215
216	*	Repairs Billed to Others - (Credit)			(2,132)		(2,132)		(2,132)	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: Other	7,308	21		3	7,332		7,332	218
219		TOTAL LOCOMOTIVES	119,850	183,404	38,821	205,786	547,861		547,861	219
220		FREIGHT CARS: Administration	4,362	2,545	4,024	4,759	15,690	N/A	15,690	220
221	*	Repair and Maintenance	48,197	69,532	58,889	711	177,329	N/A	177,329	221
222	*	Machinery Repair	594	1,421	4,346		6,361	N/A	6,361	222
223		Equipment Damaged	5,070	4,066			9,136	N/A	9,136	223
224		Fringe Benefits				25,757	25,757	N/A	25,757	224
225		Other Casualties and Insurance				11,657	11,657	N/A	11,657	225
226	*	Lease Rentals - Debit			47,990		47,990	N/A	47,990	226
227	*	Lease Rentals - (Credit)			(11,495)		(11,495)	N/A	(11,495)	227
228		Joint Facility Rent - Debit						N/A		228
229	*	Joint Facility Rent - (Credit)						N/A		229
230	*	Other Rents - Debit			422,578		422,578	N/A	422,578	230
231	*	Other Rents - (Credit)			(171,099)		(171,099)	N/A	(171,099)	231
232	*	Depreciation				67,216	67,216	N/A	67,216	232
233		Joint Facility - Debit						N/A		233
234		Joint Facility - (Credit)						N/A		234
235	*	Repairs Billed to Others - (Credit)			(54,230)		(54,230)	N/A	(54,230)	235
236		Dismantling Retired Property						N/A		236
237		Other	8,418	22,238		394	31,050	N/A	31,050	237
238		TOTAL FREIGHT CARS	66,641	99,802	301,003	110,494	577,940	N/A	577,940	238
301		OTHER EQUIPMENT: Administration		450	6	2,711	3,167		3,167	301
302	*	Repair and Maintenance: Trucks, Trailers and Containers - Revenue Service		3,027	46,383	98	49,508	N/A	49,508	302
303	*	Floating Equipment - Revenue Service						N/A		303
304	*	Passenger and Other Revenue Equipment								304
305	*	Computer Systems and Word Processing Equipment		601	58,032		58,633		58,633	305
306	*	Machinery	270	161	102		533		533	306
307	*	Work and Other Non-Revenue Equipment	1,045	9	15,995	22	17,071		17,071	307
308		Machinery								308
309		Fringe Benefits				3,611	3,611		3,611	309
310		Other Casualties and Insurance				1,019	1,019		1,019	310
311	*	Lease Rentals - Debit			29,941		29,941		29,941	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)			
312	*	OTHER EQUIPMENT - Continued: Lease Rentals - (Credit)			(19)		(19)		(19)	312
313		Joint Facility Rent - Debit			81		81		81	313
314	*	Joint Facility Rent - (Credit)			(5)		(5)		(5)	314
315	*	Other Rents - Debit			23,314		23,314		23,314	315
316	*	Other Rents - (Credit)			(19,292)		(19,292)		(19,292)	316
317	*	Depreciation				75,986	75,986		75,986	317
318		Joint Facility - Debit			29		29		29	318
319		Joint Facility - (Credit)								319
320	*	Repairs Billed to Others - (Credit)			(6,110)		(6,110)		(6,110)	320
321		Dismantling Retired Property								321
322		Other								322
323		TOTAL OTHER EQUIPMENT	1,315	4,248	148,457	83,447	237,467		237,467	323
324		TOTAL EQUIPMENT	187,806	287,454	488,281	399,727	1,363,268		1,363,268	324
		TRANSPORTATION: TRAIN OPERATIONS:								
401		Administration	8,622	5,279	7,784	11,497	33,182		33,182	401
402		Engine Crews	373,549	203	25,334	18,121	417,207		417,207	402
403		Train Crews	319,631	2,802	19,510	18,121	360,064		360,064	403
404		Dispatching Trains	39,905	4		126	40,035		40,035	404
405		Operating Signals and Interlockers	26,991	324	13	384	27,712		27,712	405
406		Operating Drawbridges	3,804			3	3,807		3,807	406
407		Highway Crossing Protection	26	70	6,133	1	6,230		6,230	407
408		Train Inspection and Lubrication	63,307	418			63,725		63,725	408
409	*	Locomotive Fuel		1,343,753	14		1,343,767		1,343,767	409
410		Electric Power Purchased or Produced for Motive Power								410
411		Servicing Locomotives	28,670	11,218	7,737	3	47,628		47,628	411
412		Freight Lost or Damaged - Solely Related								412
413		Clearing Wrecks	63	74	10,681		10,818		10,818	413
414		Fringe Benefits				350,038	350,038		350,038	414
415		Other Casualties and Insurance				86,099	86,099		86,099	415
416		Joint Facility - Debit			740		740		740	416
417		Joint Facility - (Credit)			(127)		(127)		(127)	417
418		Other	324	2	119,678	287	120,291		120,291	418
419		TOTAL TRAIN OPERATIONS	864,892	1,364,147	197,497	484,680	2,911,216		2,911,216	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)			
		<b>YARD OPERATIONS:</b>								
420		Administration	606	342	2,037	1,854	4,839		4,839	420
421		Switch Crews	188,729	1,534	25,696	1,035	216,994		216,994	421
422		Controlling Operations	33,333		28		33,361		33,361	422
423		Yard and Terminal Clerical	6,063	7,197	5,744	283	19,287		19,287	423
424		Operating Switches, Signals, Retarders and Humps		733	54		787		787	424
425	*	Locomotive Fuel		103,167			103,167		103,167	425
426		Electric Power Purchased or Produced for Motive Power								426
427		Servicing Locomotives	545				545		545	427
428		Freight Lost or Damaged - Soley Related								428
429		Clearing Wrecks	57	2			59		59	429
430		Fringe Benefits				103,683	103,683		103,683	430
431		Other Casualties and Insurance				24,288	24,288		24,288	431
432		Joint Facility - Debit			6,654		6,654		6,654	432
433		Joint Facility - (Credit)			(956)		(956)		(956)	433
434		Other			4		4		4	434
435		<b>TOTAL YARD OPERATIONS</b>	<b>229,333</b>	<b>112,975</b>	<b>39,261</b>	<b>131,143</b>	<b>512,712</b>		<b>512,712</b>	<b>435</b>
		<b>TRAIN AND YARD OPERATIONS COMMON:</b>								
501		Cleaning Car Interiors	501	3	456		960		960	501
502		Adjusting and Transferring Loads	30	1	467		498	N/A	498	502
503		Car Loading Devices and Grain Doors	2	1			3	N/A	3	503
504		Freight Lost or Damaged - All Other				15,608	15,608		15,608	504
505		Fringe Benefits				299	299		299	505
506		<b>TOTAL TRAIN AND YARD OPERATIONS COMMON</b>	<b>533</b>	<b>5</b>	<b>923</b>	<b>15,907</b>	<b>17,368</b>		<b>17,368</b>	<b>506</b>
		<b>SPECIALIZED SERVICES OPERATIONS:</b>								
507	*	Administration	19,533	1,138	9,977	2,086	32,734	N/A	32,734	507
508	*	Pickup and Delivery and Marine Line Haul	8,449	70,358	101,496	342	180,645	N/A	180,645	508
509	*	Loading and Unloading and Local Marine	6,695	4,691	277,643	79	289,108	N/A	289,108	509
510	*	Protective Services	6	906	328		1,240	N/A	1,240	510
511	*	Freight Lost or Damaged - Solely Related						N/A		511
512	*	Fringe Benefits				6,133	6,133	N/A	6,133	512
513	*	Casualties and Insurance				4,048	4,048	N/A	4,048	513
514	*	Joint Facility - Debit			53		53	N/A	53	514
515	*	Joint Facility - (Credit)						N/A		515
516	*	Other						N/A		516
517	*	<b>TOTAL SPECIALIZED SERVICES OPERATIONS</b>	<b>34,683</b>	<b>77,093</b>	<b>389,497</b>	<b>12,688</b>	<b>513,961</b>	<b>N/A</b>	<b>513,961</b>	<b>517</b>

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		148	401	962	1,511		1,511	518
519		Employees Performing Clerical and Accounting Functions	20,436	1,216	2,763	55	24,470		24,470	519
520		Communications Systems Operation	3,728			22	3,750		3,750	520
521		Loss and Damage Claims Processing	35	42	2,456	180	2,713		2,713	521
522		Fringe Benefits				13,747	13,747		13,747	522
523		Casualties and Insurance				2,898	2,898		2,898	523
524		Joint Facility - Debit								524
525		Joint Facility - (Credit)								525
526		Other								526
527		TOTAL ADMINISTRATIVE SUPPORT OPERATIONS	24,199	1,406	5,620	17,864	49,089		49,089	527
528		TOTAL TRANSPORTATION	1,153,640	1,555,626	632,798	662,282	4,004,346		4,004,346	528
601		GENERAL AND ADMINISTRATIVE: Officers - General Administration	42	1,760	818	2,617	5,237		5,237	601
602		Accounting, Auditing and Finance	4,826	2,103	8,651	894	16,474		16,474	602
603		Management Services and Data Processing	1,046	475	26,137	2,004	29,662		29,662	603
604		Marketing	556	433	10,745	6,341	18,075		18,075	604
605		Sales		82	135	529	746		746	605
606		Industrial Development	51	105	69	265	490	N/A	490	606
607		Personnel and Labor Relations	149	987	11,311	10,463	22,910		22,910	607
608		Legal and Secretarial		416	42,866	3,452	46,734		46,734	608
609		Public Relations and Advertising		343	4,365	1,231	5,939		5,939	609
610		Research and Development								610
611		Fringe Benefits				2,426	2,426		2,426	611
612		Casualties and Insurance				8,828	8,828		8,828	612
613		Writedown of Uncollectible Accounts				1,594	1,594		1,594	613
614		Property Taxes				113,421	113,421		113,421	614
615		Other Taxes Except on Corporate Income or Payrolls				42,383	42,383		42,383	615
616		Joint Facility - Debit			1		1		1	616
617		Joint Facility - (Credit)								617
618		Other	1,687	7,682	783,379	161,906	954,654		954,654	618
619		TOTAL GENERAL AND ADMINISTRATIVE	8,357	14,386	888,477	358,354	1,269,574		1,269,574	619
620	*	TOTAL CARRIER OPERATING EXPENSES	1,511,511	1,990,943	2,384,039	2,305,198	8,191,691		8,191,691	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	67,896	19,147	(2,984)	2
3		4	Other, right-of-way expenditures	(111)	(31)	(8)	3
4		5	Tunnels and subways	4,170	1,176	(49)	4
5		6	Bridges, trestles, and culverts	38,130	10,752	(1,047)	5
6		7	Elevated structures	714	201	(1,989)	6
7		8	Ties	183,604	51,776	(455)	7
8		9	Rail and other track material	130,643	36,841	(4,002)	8
9		11	Ballast	51,980	14,658	130	9
10		13	Fences, snow sheds, and signs	79	22	(6)	10
11		16	Station and office buildings	13,631	3,844	(2,444)	11
12		17	Roadway buildings	809	228	(226)	12
13		18	Water stations	(9)	(3)	0	13
14		19	Fuel stations	2,530	714	0	14
15		20	Shops and enginehouses	6,067	1,711	(143)	15
16		22	Storage warehouses	89	25	(18)	16
17		23	Wharves and docks	1	0	(1)	17
18		24	Coal and ore wharves	3,887	1,096	(138)	18
19		25	TOFC/COFC terminals	15,622	4,405	(1,366)	19
20		26	Communications systems	19,141	5,398	(2,755)	20
21		27	Signals and interlocker	24,570	6,929	(1,070)	21
22		29	Power plants	(85)	(24)	(58)	22
23		31	Power-transmissions systems	886	250	(111)	23
24		35	Miscellaneous structures	(2,757)	(777)	(85)	24
25		37	Roadway machines	47,796	13,478	(3,229)	25
26		39	Public improvements-Construction	32,925	9,285	28,726	26
27		45	Power plant machines	252	71	(96)	27
28			Other lease/rentals				28
29	*		Total	642,460	181,172	6,576	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)	
		<b>CAR TYPES</b>							
1		Box-Plain 40 Foot							1
2		Box-Plain 50 Foot and Longer		279	826	15,940	1,933	9,366	2
3		Box-Equipped		8,845	31,865	60	10,900	44,258	3
4		Gondola-Plain		369	1,403	1,194	677	2,231	4
5		Gondola-Equipped		4,377	21,735	15	2,597	11,022	5
6		Hopper-Covered		1,162	7,729	5,416	3,991	16,768	6
7		Hopper-Open Top-General Service		373	2,815	2	314	1,347	7
8		Hopper-Open Top-Special Service		183	1,825	1	234	1,048	8
9		Refrigerator-Mechanical				4	782	2,815	9
10		Refrigerator-Non-Mechanical		42	115	3	882	2,188	10
11		Flat-TOFC/COFC		2	5,920	78,085	5,859	22,560	11
12		Flat-Multi-Level		2,200	45,590	60,896	2,996	32,582	12
13		Flat-General Service		76	300	92	34	66	13
14		Flat-Other		498	2,429	14,428	3,220	12,843	14
15		Tank-Under 22,000 Gallons				7,098			15
16		Tank-22,000 Gallons and Over				8,267			16
17		All Other Freight Cars		15	2,662	1	74	824	17
18		Auto Racks			27,464			36,665	18
19		<b>TOTAL FREIGHT TRAIN CARS</b>		18,421	152,678	191,502	34,493	196,583	19
		<b>OTHER FREIGHT CARRYING EQUIPMENT</b>							
20		Refrigerated Trailers							20
21		Other Trailers							21
22		Refrigerated Containers							22
23		Other Containers			19,292	3,898		19,147	23
24	*	<b>TOTAL TRAILERS AND CONTAINERS</b>			19,292	3,898		19,147	24
25		<b>GRAND TOTAL (LINES 19 AND 24)</b>		18,421	171,970	195,400	34,493	215,730	25

**NOTES AND REMARKS**

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**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 therefore are included in the rent for equipment and Account Nos. 31-21-00, 31-22-00, 31-23-00, 35-21-00, 35-22-00, and 35-23-00. It should include the cost of equipment owned and leased to others when the rents are included in the rent for Equipment Account Nos. 32-21-00, 32-22-00, 32-23-00, 36-21-00, 36-22-00, and 36-23-00.  
Property used but not owned should also be included when the rent is included in Account Nos. 31-12-00, 31-13-00, 31-21-00, 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)		
		<b>LOCOMOTIVES</b>					
1		Diesel Locomotive - Yard	23,044	4,067		(463)	1
2		Diesel Locomotive - Road	278,393	118,194	4,052	(20,766)	2
3		Other Locomotive - Yard		65			3
4		Other Locomotive - Road					4
5	*	TOTAL	301,437	122,326	4,052	(21,229)	5
		<b>FREIGHT TRAIN CARS</b>					
6		Box - Plain 40 Foot					6
7		Box - Plain 50 Foot and Longer	1,044	12		(23)	7
8		Box - Equipped	27,862	2,347		(8,302)	8
9		Gondola - Plain	13,540	24,394		7,064	9
10		Gondola - Equipped	26,148	(1,965)		(8,711)	10
11		Hopper - Covered	22,035	2,701		(3,923)	11
12		Hopper - Open Top - General Service	10,104	11,814	25	(2,378)	12
13		Hopper - Open Top - Special Service	4,429	4,890		(920)	13
14		Refrigerator - Mechanical	211				14
15		Refrigerator - Nonmechanical	60				15
16		Flat TOFC/COFC	2,190	122		6	16
17		Flat Multi - level	2,395	(1,089)		(2,180)	17
18		Flat - General Service	327	49		(25)	18
19		Flat - Other	3,846	1,658		18	19
20		All Other Freight Cars	6,425	2,762		565	20
21		Cabooses	60	138		(44)	21
22		Auto Racks	2,423	16,397		(1,718)	22
23		Miscellaneous Accessories (see note 4)		1,678		(128)	23
24	*	TOTAL FREIGHT TRAIN CARS	123,099	65,908	25	(20,699)	24
		<b>OTHER EQUIPMENT - REVENUE FREIGHT HIGHWAY EQUIPMENT</b>					
25		Refrigerated Trailers		84			25
26		Other Trailers	1,211	9,436		(177)	26
27		Refrigerated Containers					27
28		Other Containers	10,499	2,626			28
29		Bogies					29
30		Chassis	31,688	2,511			30
31		Other Highway Equipment (Freight)					31
32	*	TOTAL HIGHWAY EQUIPMENT	43,398	14,657		(177)	32
		<b>FLOATING EQUIPMENT - REVENUE SERVICE</b>					
33		Marine Line - Haul					33
34		Local Marine					34
35	*	TOTAL FLOATING EQUIPMENT					35
		<b>OTHER EQUIPMENT</b>					
36	*	Passenger & Other Revenue Equipment (Freight Portion)					36
37	*	Computer systems & word processing equip.	58,633	43,948		(7,516)	37
38	*	Machinery - Locomotives (see notes 1, 5, 6)	7,734	2,544			38
39	*	Machinery - Freight Cars (see notes 2, 5, 6)	6,361	1,283			39
40	*	Machinery - Other Equipment (see notes 3, 5, 6)	533	749			40
41	*	Work & Other Non - revenue Equipment	17,071	16,632		(4,410)	41
42		TOTAL OTHER EQUIPMENT	90,332	65,156		(11,926)	42
43		TOTAL ALL EQUIPMENT (FREIGHT PORTION)	558,266	268,047	4,077	(54,031)	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			112,810		56,931		1
2		13,640	4,070,604	89,328	1,418,665	37,524	2
3			2,060		143		3
4							4
5		13,640	4,185,474	89,328	1,475,739	37,524	5
6							6
7			1,268		733		7
8		6,634	436,651		219,638		8
9		145	564,819		291,552		9
10		18,919	375,469		137,004		10
11		9,801	414,016		136,198		11
12		4,700	516,578	944	175,305	189	12
13			196,748		81,582		13
14							14
15							15
16		(5,383)	3,758		2,770		16
17		1,078	26,292		10,832		17
18			3,295		1,925		18
19			75,093		37,940		19
20			63,015		34,584		20
21			5,056		3,176		21
22		599	314,643		154,552		22
23			10,623		8,356		23
24		36,493	3,007,324	944	1,296,147	189	24
25			1,083		520		25
26		26,614	172,584		95,531		26
27							27
28		3,308	76,662		2,796		28
29							29
30			110,388		2,143		30
31							31
32		29,922	360,717		100,990		32
33							33
34							34
35							35
36							36
37			407,745		236,292		37
38		219	72,158		23,903		38
39			36,391		12,055		39
40			21,244		7,037		40
41		269	371,558		120,757		41
42		488	909,096		400,044		42
43		80,543	8,462,611	90,272	3,272,920	37,713	43

Note 5 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 6 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)		
		<b>LOCOMOTIVES</b>					
1		Diesel Locomotive - Yard					1
2		Diesel Locomotive - Road		689			2
3		Other Locomotive - Yard					3
4		Other Locomotive - Road					4
5	*	TOTAL		689			5
		<b>FREIGHT TRAIN CARS</b>					
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		Flat TOFC/COFC					16
17		Flat Multi - level					17
18		Flat - General Service					18
19		Flat - 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
		<b>OTHER EQUIPMENT - REVENUE FREIGHT HIGHWAY EQUIPMENT</b>					
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
		<b>FLOATING EQUIPMENT - REVENUE SERVICE</b>					
33		Marine Line - Haul					33
34		Local Marine					34
35	*	TOTAL FLOATING EQUIPMENT					35
		<b>OTHER EQUIPMENT</b>					
36	*	Passenger & Other Revenue Equipment (Freight Portion)					36
37	*	Computer systems & word processing equip.					37
38	*	Machinery - Locomotives (see notes 1, 5, 6)					38
39	*	Machinery - Freight Cars (see notes 2, 5, 6)					39
40	*	Machinery - Other Equipment (see notes 3, 5, 6)					40
41	*	Work & Other Non - revenue Equipment					41
42		TOTAL OTHER EQUIPMENT					42
43		TOTAL ALL EQUIPMENT (FREIGHT PORTION)		689			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		2,613	11,969		3,447		2
3							3
4							4
5		2,613	11,969		3,447		5
6							6
7							7
8							8
9							9
10		2	30		30		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		2	30		30		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		2,615	11,999		3,477		43

Note 5 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 6 Depreciation reported on lines 38, 39 and 40 in column (j) 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 (j), Schedule 335.

**416. SUPPORTING SCHEDULE -- ROAD**

(Dollars in Thousands)

Line No.	Density category (Class) (a)	Account No. (b)	Owned and used			Improvements to leased property			Capitalized leases			TOTAL		Line No.
			Inv. Base (c)	Accum depr. (d)	Depr. rate % (e)	Inv. Base (f)	Accum. depr. (g)	Depr. rate % (h)	Inv. base (i)	Current year Amort. (j)	Accum. Amort. (k)	Inv. Base (l)	Accum Depr. & Amort. (m)	
1	I	3	1,435,894	245,757	1.05%							1,435,894	245,757	1
2		8	1,449,355	480,086	4.36%							1,449,355	480,086	2
3		9	2,076,639	577,073	2.53%							2,076,639	577,073	3
4		11	763,281	155,311	2.50%							763,281	155,311	4
5	SUB-TOTAL		5,725,169	1,458,227								5,725,169	1,458,227	5
6	II	3	1,114,698	190,742	1.05%							1,114,698	190,742	6
7		8	1,881,207	623,225	4.36%							1,881,207	623,225	7
8		9	2,537,174	705,160	2.32%							2,537,174	705,160	8
9		11	925,998	188,389	2.50%							925,998	188,389	9
10	SUB-TOTAL		6,459,077	1,707,516								6,459,077	1,707,516	10
11	III	3	19,554	N/A	N/A		N/A	N/A		N/A	N/A	19,554		11
12		8	37,258	N/A	N/A		N/A	N/A		N/A	N/A	37,258		12
13		9	36,396	N/A	N/A		N/A	N/A		N/A	N/A	36,396		13
14		11	12,767	N/A	N/A		N/A	N/A		N/A	N/A	12,767		14
15	SUB-TOTAL		105,975				N/A	N/A		N/A	N/A	105,975	0	15
16	IV	3	434,313	74,325	1.05%							434,313	74,325	16
17		8	601,125	199,147	4.36%							601,125	199,147	17
18		9	840,558	233,588	2.18%							840,558	233,588	18
19		11	307,999	62,661	2.50%							307,999	62,661	19
20	SUB-TOTAL		2,183,995	569,721								2,183,995	569,721	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		14,474,216	3,735,464	N/A			N/A				14,474,216	3,735,464	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**

Empty rectangular box for 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, such as administrative expenses to two or more services, they shall be apportioned on the most equitable basis available to the respondent and only to the services they support. The total expenses in column (j) should balance with the respective line items in Schedule 410, Railway Operating Expenses.
4. Report in column (b), line 2, the expenses incurred in highway movements of trailers and containers performed at the expense of the reporting railroad within a terminal area for the purpose of pick-up, delivery or highway interchange service. Report in column (b), line 3, the expenses incurred in operating facilities for handling trailers and/or containers, including storage expenses. See Schedule 755, note R.
5. The operation of floating equipment in line-haul service (between distinct terminals) should be reported in column (c) on line 2. Floating operations conducted within a general terminal or harbor area should be reported in column (c), line 3.
6. Report in column (g), line 3, the expenses incurred by the railroad in loading and unloading automobiles, trucks, etc., to and from bi-level and tri-level auto rack cars. Report on line 2, column (g), the expense incurred by the railroad in moving automobiles, etc., between bi-level and tri-level loading and unloading facilities over the highway to shippers, receivers or connecting carriers. Report in column (f) operating expenses for land facilities in support of floating operations, including the operation of docks and wharves.
7. Report on line 4, column (b), the expenses related to heating and refrigeration of TOFC/COFC trailers and containers (total debits and credits). The expenses on line 4, column (h), relate to refrigerator cars only.
8. Report in column (i) total expenses incurred in performing rail substitute service, other highway revenue service, LCL terminal operations, warehouse operations, freight car transloading, grain elevator terminal operations and livestock feeding operations only.

Line No.	Cross Check	Items (a)	TOFC/COFC terminal (b)	Floating equipment (c)	Coal marine terminal (d)	Ore marine terminal (e)	Other marine terminal (f)	Motor vehicle load and distribution (g)	Protective services refrigerator car (h)	Other special services (i)	Total columns (b-i) (j)	Line No.
1		Administration	31,338		1,107			4		285	32,734	1
2		Pick up and delivery, marine line haul	164,739		5,799			1		10,106	180,645	2
3		Loading and unloading and local marine	226,365		12,244			50,473		26	289,108	3
4		Protective services, total debit and credits							1,240		1,240	4
5	*	Freight lost or damaged—solely related									0	5
6		Fringe benefits	4,964		1,169						6,133	6
7		Casualty and insurance	4,048								4,048	7
8		Joint facility — Debit	53								53	8
9		Joint facility — Credit									0	9
10	*	Other									0	10
11		TOTAL	431,507	0	20,319	0	0	50,478	1,240	10,417	513,961	11

**418. SUPPORTING SCHEDULE--CAPITAL LEASES**

(Dollars in thousands)

Instructions:

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

Column

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

Primary Account No. and Title (a)	Total Investment At End of Year (b)	Capital Leases		
		Investment At End of Year (c)	Current Year Amortization (d)	Accumulated Amortization (e)
ACCT 06-Bridges,trestles, and culverts	2,419,772	2,213	23	165
ACCT 09-Rail and other track material	5,490,767	560	28	448
ACCT 52-Locomotives	4,286,771	89,328	4,052	37,524
ACCT 53-Freight Cars	3,008,298	944	25	189

**NOTES AND REMARKS**

[Empty rectangular box for notes and remarks]

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

**A. Railway Taxes**

Line No.	Cross Check	Kind of tax	Amount	Line No.
1		<b>Other than U.S. Government Taxes</b>	202,891	1
		U. S. Government Taxes		
		Income Taxes		
2		Normal Tax and Surtax	503,087	2
3		Excess Profits		3
4	*	Total - Income Taxes L 2 + 3	503,087	4
5		Railroad Retirement	356,789	5
6		Hospital Insurance	32,194	6
7		Supplemental Annuities		7
8		Unemployment Insurance	23,485	8
9		All Other United States Taxes		9
10		<b>Total - U. S. Government Taxes</b>	915,555	10
11		<b>Total - Railway Taxes</b>	1,118,446	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	7,226,847	441,103		7,667,950	5
6	Other (Specify) -- Tax Benefit Transfer Leases	21,772	(936)		20,836	6
7	Reserves, including casualty & other claims	(152,615)	10,004		(142,611)	7
8	Compensation and Benefits	(334,224)	21,790	(123,902)	(436,336)	8
9	Miscellaneous	140,944	24,705	66	165,715	9
10	Unrealized Holding Gains	454,606	0	73,186	527,792	10
11						11
12						12
13						13
14						14
15						15
16						16
17						17
18						18
19	<b>TOTALS</b>	7,357,330	496,666	(50,650)	7,803,346	19

Adjustments in column (d) represent primarily AOCI adjustments in accordance with "Compensation- Retirement Benefits" (ASC 715) and "Investments- Debt and Equity Securities" (ASC 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	616	Distribution of earnings	2,794		1
2					2
3					3
4					4
5					5
6					6
7					7
8					8
9					9
10					10
11					11
12					12
13					13
14					14
15					15
16					16
17					17
18					18
19					19
20					20
21					21
22					22
23					23
24					24
25					25
26					26
27					27
28					28
29					29
30					30

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

Amounts on line 2 represent distributions of earnings associated with a limited liability company. Board approval for use of Account 616 was received March 22, 2012.

**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)	7,014 & 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.

NS Rail has outstanding letters of credit in the amount of \$8.3 million, with various banks, under which no borrowings were outstanding as of December 31, 2011.

NS Rail has in place a \$350 million receivables securitization facility under which it may transfer beneficial interests in the receivables to various commercial paper vehicles. Amounts received under the facility are accounted for as borrowings. Under this facility, NS Rail received and repaid \$100 million in 2011. At December 31, 2011 and 2010, respectively, the amounts outstanding under the facility were \$200 million at an average variable interest rate of 1.35% and \$200 million at an average variable interest rate of 1.54%. NS Rail's intent is to refinance \$100 million of these borrowings on a long-term basis. Accordingly, the amounts outstanding are included in the line item "Funded Debt Unmatured" and the remaining \$100 million outstanding at December 31, 2011 and 2010, respectively, is included in the line item "Loans and Notes Payable" in the Combined Balance Sheets. The facility has a 364-day term which was renewed and amended in October 2011 to run until October 2012.

**NOTES AND REMARKS**

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**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	50,201
3	765/767	Funded Debt Unmatured	Sch. 200, L. 41	579,026
4	766	Equipment Obligations	Sch. 200, L. 42	33,850
5	766.5	Capitalized Lease Obligations	Sch. 200, L. 43	2,188
6	768	Debt in Default	Sch. 200, L. 44	
7	769	Accounts Payable; Affiliated Companies	Sch. 200, L. 45	2,013,424
8	770.1/770.2	Unamortized Debt Premium	Sch. 200, L. 46	101,748
9		Total Debt	Sum L. 1-8	2,880,437
10		Debt Directly Related to Road Property	Note 1.	29,590
11		Debt Directly Related to Equipment	Note 1.	79,608
12		Total Debt Directly Related to Road & Equipment	Sum L. 10 and 11	109,198
13		Percent Directly Related to Road	L. 10 div. by L. 12 Whole % + 2 decimals	27.10%
14		Percent Directly Related to Equipment	L. 11 div. by L. 12 Whole % + 2 decimals	72.90%
15		Debt Not Directly Related to Road or Equipment	L. 9 - L. 12	2,771,239
16		Road Property Debt (Note 2)	(L. 13 x L. 15) + L. 10	780,596
17		Equipment Debt (Note 2)	(L. 14 x L. 15) + L. 11	2,099,841

**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	148,660
19	546	Contingent Interest on Funded Debt	Sch. 210, L. 44	
20	517	Release of Premiums on Funded Debt	Sch. 210, L. 22	
21		Total Interest (Note 3)	(L. 18 + L. 19) - L. 20	148,660
22		Interest Directly Related to Road Property Debt	Note 4	1,591
23		Interest Directly Related to Equipment Debt	Note 4	4,879
24		Interest Not Directly Related to Road or Equipment Property Debt	L. 21 - (L. 22 + L. 23)	142,190 *
25		Interest Road Property Debt (Note 5)	L. 22 + (L. 24 x L. 13)	40,124
26		Interest Equipment Debt (Note 5)	L. 23 + (L. 24 x L. 14)	108,536
27		Embedded Rate of Debt Capital - Road Property	L. 25 div. by L. 16	5.14%
28		Embedded Rate of Debt Capital - Equipment	L. 26 div. by L. 17	5.17%

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 \$18,852. Amount on line 24 primarily represents "Other Interest expense" that does not relate to conventional debt as reported on line 9.

**NOTES AND REMARKS**

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

1. Furnish the information called for below between the respondent and the affiliated companies or persons affiliated with the respondent, including officers, directors, stockholders, owners, partners, or their wives and other close relatives, or their agents. Examples of transactions are, but are not restricted to, management, legal, accounting, purchasing, or other 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.

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.

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).



**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,							2
3	both of which are subject to STB jurisdiction and review.							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 9.

**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%	15,482	2,604	168	1,995	2,515	5,712	28,476	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	15,493	2,613	168	2,005	2,545	5,766	28,590	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%	4,271	1,108	590	348	101	527	6,945	27
28										28
29		Total Class 5	4,271	1,108	590	348	101	527	6,945	29
30										30
31										31
32										32
33										33
34										34
35										35
36										36
37										37
38										38
39										39
40										40
41										41
42										42
43										43
44										44
45										45
46										46
47										47
48										48
49										49
50										50
51										51
52										52
53										53
54										54
55										55
56										56
57		TOTAL	20,141	3,901	762	2,386	2,700	6,412	36,302	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	1,238					92	1,330	63		1
2		Canada						2	2			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	313		6
7		Illinois	847					413	1,260	63		7
8		Indiana	1,224		2			265	1,491	96		8
9		Iowa	6				1	37	44	41		9
10		Kansas						2	2			10
11		Kentucky	156		212			63	431			11
12		Louisiana	72					4	76			12
13		Maryland	95					174	269			13
14		Michigan	258					230	488	156		14
15		Mississippi	209					2	211			15
16		Missouri	344					65	409			16
17		New Jersey	126					807	933			17
18		New York	457					294	751	190		18
19		North Carolina	922				11	364	1,297	418		19
20		Ohio	1,800		10			398	2,208	41		20
21		Pennsylvania	1,639				5	637	2,281	191		21
22		South Carolina	679					104	783	16		22
23		Tennessee	665		136			46	847	144		23
24		Virginia	1,972					107	2,079	93		24
25		West Virginia	759					47	806	41		25
26												26
27												27
28												28
29												29
30												30
31												31
32		TOTAL MILEAGE (single track)	15,493		360		17	4,271	20,141	1,866		32

**NOTES AND REMARKS**

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**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 (l). Units temporarily out of respondent's service and rented to others for less than one year are to be included in column (h). Units rented from others for a period less than one year should not be included in column (i).
4. For reporting purposes, a "locomotive unit" is a self-propelled vehicle generating or converting energy into motion, and designed solely for moving other equipment. An "A" unit is the least number of wheel bases with superstructure designed for use singly or as a lead locomotive unit in combination with other locomotive units. A "B" unit is similar to an "A" unit but 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 (j), 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 (j)	= Line 11, column (l)
Line 6, column (j)	= Line 12, column (l)
Line 7, column (j)	= Line 13, column (l)
Line 8, column (j)	= Line 14, column (l)
Line 9, column (j)	= Line 15, column (l)
Line 10, column (j)	= Line 16, column (l)

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

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

**710. INVENTORY OF EQUIPMENT  
UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS**

Line No.	Cross Check	Type or design of units (a)	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						Owned and used (h)	Leased from others (i)	Total in service of respondent [col (h) & (i)] (j)	Aggregate capacity of units reported in col. (j) (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)							
1	*	Locomotive Units Diesel-freight units	2,441	90		6	40	40	2,521	16	2,537	(HP) 10,140,600		1
2		Diesel-passenger units												2
3	*	Diesel-multiple purpose units	1,198			17	20	17	1,102	116	1,218	3,124,000	43	3
4		Diesel-switching units	134					15	119		119	180,400	3	4
5	**	TOTAL (lines 1 to 4) units	3,773	90		23	60	72	3,742	132	3,874	13,445,000	46	5
6	**	Electric-locomotives												6
7	**	Other self-powered units	1						1		1	1,350		7
8	**	TOTAL (lines 5, 6 and 7)	3,774	90		23	60	72	3,743	132	3,875	13,446,350	46	8
9	**	Auxiliary units	113			7		4	116		116	N/A		9
10	**	TOTAL LOCOMOTIVE UNITS (lines 8 and 9)	3,887	90		30	60	76	3,859	132	3,991	13,446,350	46	10

\* Note: Col (f) - Reclassed 1200 diesel-freight units to diesel-multiple purpose units.

\*\* Note: Col (l) - Leased to Others includes 45 NS Owned Locomotives Leased to Conrail for use in Shared Assets Area

**DISTRIBUTION OF LOCOMOTIVE UNITS IN SERVICE OF RESPONDENT AT CLOSE OF YEAR BUILT, DISREGARDING YEAR OF REBUILDING**

Line No.	Cross Check	Type or design of units (a)	Before 1/1/1990 (b)	During Calendar Year				2010 (g)	2011 (h)	2012 (i)	2013 (j)	2014 (k)	TOTAL (l)	Line No.
				Between 1/1/1990 and 12/31/1994 (c)	Between 1/1/1995 and 12/31/1999 (d)	Between 1/1/2000 and 12/31/2004 (e)	Between 1/1/2005 and 12/31/2009 (f)							
11	*	Diesel	1,596	407	713	664	362	42	90				3,874	11
12	*	Electric												12
13	*	Other self-powered units	1										1	13
14	*	TOTAL (lines 11 to 13)	1,597	407	713	664	362	42	90				3,875	14
15	*	Auxiliary units	112	4									116	15
16	*	TOTAL LOCOMOTIVE UNITS (Lines 14 and 15)	1,709	411	713	664	362	42	90				3,991	16

**710. INVENTORY OF EQUIPMENT (Continued)**  
**UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS**

Line No.	Cross Check	Type or design of units (a)	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						Owned and used (h)	Leased from others (i)	Total in service of respondent (col. (h) & (i)) (j)	Aggregate capacity of units reported in col. (j) (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 re-classification and second hand units purchased or leased from others (f)							
17		PASSENGER-TRAIN CARS Non-Self-Propelled Coaches (PA, PB, PBO)												17
18		Combined cars (All class C, except CSB)												18
19		Parlor cars (PBC, PC, PL, PO)												19
20		Sleeping cars (PS, PT, PAS, PDS)												20
21		Dining, grill and tavern cars (All class D, PD)												21
22		Non-passenger carrying cars (All class B, CSB, M, PSA, 1A)												22
23		TOTAL (lines 17 to 22)												23
24		Self-Propelled Electric passenger cars (EP, ET)												24
25		Electric combined cars (EC)												25
26		Internal combustion rail motorcars (ED,EG)												26
27		Other self-propelled cars (Specify types)												27
28		TOTAL (lines 24 to 27)												28
29		TOTAL (lines 23 and 28)												29
30		COMPANY SERVICE CARS Business cars (PV)	26						26		26	N/A		30
31		Board outfit cars (MWX)	274					2	272		272	N/A		31
32		Derrick and snow removal cars (MWU, MWV, MWW, MWK)	278				5	6	277		277	N/A		32
33		Dump and ballast cars (MWB, MWD)	777				10	5	472	310	782	N/A		33
34		Other maintenance and service equipment cars	3,369				60	54	3,372	3	3,375	N/A		34
35		TOTAL (lines 30 to 34)	4,724				75	67	4,419	313	4,732	N/A		35



## 710. INVENTORY OF EQUIPMENT - Continued

Instructions for reporting freight-train car data

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

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

Line No.	Cross Check	Class of equipment and car designations (a)	Units in service of respondent at beginning of year		Changes During the Year				Line No.
			Time-mileage cars (b)	All Others (c)	Units installed				
					New units purchased or built (d)	New or rebuilt units leased from others (e)	Rebuilt units acquired and rebuilt units rewritten into property accounts (f)	All other units, including reclassification and second hand units purchased or leased from others (g)	
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 __)	501					6	37
38		Equipped box cars (All Code A, Except A_5_)	13,933					433	38
39		Plain gondola cars (All Codes G & J __1, J __2, J __3, J __4)	17,755		500			4	39
40		Equipped gondola cars (All Code E)	18,128					630	40
41		Covered hopper cars (C __1, C __2, C __3, C __4)	10,489		2,340			350	41
42		Open top hopper cars - general service (All Code H)	13,417		1,000			384	42
43		Open top hopper cars - special service (J __O, and All Code K)	4,164					134	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 __)	1,193					14	46
47		Flat cars - multi-level (All Code V)	746					1	47
48		Flat cars - general service (F10 __, F20 __, F30 __)	128						48
49		Flat cars - other (F_1 __, F_2 __, F_3 __, F_4 __, F_5 __, F_6 __, F_8 __, F40 __)	1,957					40	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)		19				6	51
52		All other freight cars (A_5 __, F_7 __, All Code L and Q8 __)	4,444						52
53		TOTAL (lines 36 to 52)	86,855	19	3,840			2,002	53
54		Caboose (All Code M-930)	N/A	168					54
55		TOTAL (lines 53, 54)	86,855	187	3,840			2,002	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 retired from service of respondent whether owned or leased including reclassification (h)	Units at close of year						Line No.
			Owned and Used (i)	Leased from others (j)	Units installed				
					Total in service of respondent (col. (i) & (j))		Aggregate capacity of units reported in col. (k) & (l) (see ins. 4) (m)	Leased to others (n)	
					Time-mileage cars (k)	All Others (l)			
36								36	
37		3	39	465	504		52,024	37	
38		370	12,889	1,107	13,996		1,154,283	38	
39		853	17,405	1	17,406		1,974,112	39	
40		861	13,976	3,921	17,897		1,827,551	40	
41		1,875	10,671	633	11,304		1,247,800	41	
42		802	12,825	1,174	13,999		1,543,249	42	
43		20	4,144	134	4,278		462,965	43	
44								44	
45								45	
46		23	167	1,017	1,184		123,572	46	
47		310	382	55	437		20,252	47	
48		2	126		126		10,000	48	
49		113	1,884		1,884		183,164	49	
50								50	
51		5	4	16		20	1,979	51	
52		1	4,443		4,443		219,705	52	
53		5,238	78,955	8,523	87,458	20	8,820,656	53	
54		3	165		N/A	165	N/A	54	
55		5,241	79,120	8,523	87,458	185	8,820,656	55	

## 710. INVENTORY OF EQUIPMENT - Continued

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

Line No.	Cross Check	Class of equipment and car designations  (a)	Units in service of respondent at beginning of year		Changes During the Year				Line No.
			Per diem  (b)	All Others  (c)	Units installed				
					New units purchased or built  (d)	New units leased from others  (e)	Rebuilt units acquired and rebuilt units rewritten into property accounts  (f)	All other units, including reclassification and second hand units purchased or leased from others  (g)	
56		FLOATING EQUIPMENT Self-propelled vessels (tugboats, car ferries, etc.)							56
57		Non-self-propelled vessels (car floats, lighters, etc.)							57
58		TOTAL (Lines 56 and 57)							58
59		HIGHWAY REVENUE EQUIPMENT Chassis (Z_1_, Z_67_, Z_68_, Z_69_)		13,112	8,283				59
60		Dry van (U_2_, Z_, Z_6_, 1-6)		16,353	5,390			8	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)		29,548	13,673			8	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									56
57									57
58									58
59		3,701	8,560	9,134		17,694			59
60		113	13,399	8,239		21,638	590,922		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		3,814	22,042	17,373		39,415	592,234		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	GE ES44AC 6-Axle 4,400 HP	25	5,400	61,200	P	1
2	EMD SD70ACe 6-Axle 4,200 HP	65	14,040	138,470	P	2
3	Stainless Steel 3,744 CU FT Coal Hoppers (HT)	1,000	28,079	82,516	P	3
4	Steel 4,080 CU FT Coal Gondolas (GT)	500	12,144	35,606	P	4
5	Steel 3,281 CU FT Covered Hoppers (LO)	200	5,360	13,934	P	5
6	Steel 5,161 CU FT Covered Hoppers (LO)	2,140	68,177	141,355	P	6
7	53' Domestic Chassis (Z)	8,283	31,061	106,628	P	7
8	53' Steel Domestic Container (U)	5,362	27,346	66,900	P	8
9	Mark V Duraplate 53' Roadrailer Dry Vans (Z)	28	229	852	P	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	<b>TOTAL</b>	17,603	191,836	647,461	N/A	25
<b>REBUILT UNITS</b>						
26	GP22ECO 4-Axle 2,000 HP	2	270	2,629	S	26
27	PR43C 6-Axle 4,000 HP	4	860	7,498	C	27
28	SD40E 6-Axle 3,000 HP	15	2,925	13,946	S	28
29	SD60E 6-Axle 3,800 HP	2	395	2,439	S	29
30	6-Axle Slugs	7	973	3,905	S	30
31						31
32						32
33						33
34						34
35						35
36						36
37						37
38	<b>TOTAL</b>	30	5,423	30,417	N/A	38
39	<b>GRAND TOTAL</b>	17,633	197,259	677,878	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.
	(a)	(b)	(c)	(d)	(e)	
1	A	9,231	38.71	46.33	31	1
2	B	6,724	12.25	42.75	97	2
3	C	2,661	2.75	31.08	212	3
4	D	2,257	0.27	20.08	377	4
5	E	8,484	N/A	N/A	N/A	5
6	TOTAL	29,357	21.44	40.40	717	6
7	F	3,369	N/A	N/A	N/A	7
8	Potential abandonments	5				8

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

**721. TIES LAID IN REPLACEMENT**

- 1 Furnish the requested information concerning ties laid in replacement.
- 2 In column (j), report the total board feet of switch and bridge ties 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  (a)	Number of crossties laid in replacement							Total  (i)	Switch and bridge ties (board feet)  (j)	Crossties switch and bridge ties  Percent of spot maintenance  (k)	Line No.
		New ties			Second-hand ties							
		Wooden		Concrete  (d)	Other  (e)	Wooden		Other  (h)				
		Treated  (b)	Untreated  (c)			Treated  (f)	Untreated  (g)					
1	A	1,196,570		850	0	22,917			1,220,337	3,595,196	0.5	1
2	B	941,398		0	0	51,119			992,517	2,708,035	1.3	2
3	C	166,417		0	0	114,531			280,948	860,140	9.8	3
4	D	105,547		0	0	30,857			136,404	291,228	5.6	4
5	E	235,385		0	700	190,465			426,550	1,888,020	10.5	5
6	TOTAL	2,645,317		850	700	409,889			3,056,756	9,342,619	3.2	6
7	F											7
8	Potential abandonments											8
9	Average cost per crosstie	\$43.16	and switchtie (MBM)	\$1,089.15								

**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 crossties laid in new tracks during year (d)	Number of feet (board measure) laid in tracks (e)	Average cost per M feet (board measure) (f)	Total cost of switch and bridge ties laid in new tracks during year (g)			
1	T	49,422	\$45.17	\$2,232	32,288	\$1,099.12	\$35	New Wood Ties	1	
2									2	
3	S	5,801	\$68.88	\$400	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	55,223		\$2,632	32,288		\$35		20	
21	Number of miles of new running, passing tracks, cross-overs, etc., in which ties were laid —								13.17	21
22	Number of miles of new yard, station, team, industry, and other switching tracks in which ties were laid —								12.24	22



### 723. RAILS LAID IN REPLACEMENT

1. Furnish the requested information concerning rails laid in replacement.
2. The term 'spot maintenance' in column (h) means repairs to track components during routine inspections, as opposed to programmed replacements aimed at upgrading the general condition of the tracks. 'Percent of spot maintenance' refers to the percentage of total rails laid in replacement considered to be spot maintenance.
3. In 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  (a)	Miles of rail laid in replacement (rail-miles)				Total		Percent of spot maintenance  (h)	Line No.
		New rail		Relay rail		Welded rail  (f)	Bolted rail  (g)		
		Welded rail  (b)	Bolted rail  (c)	Welded rail  (d)	Bolted rail  (e)				
1	A	465.42	6.39	31.88	2.81	497.30	9.20	2.83	1
2	B	156.03	2.14	9.56	0.84	165.59	2.98	2.76	2
3	C	50.22	0.69	18.74	1.65	68.96	2.34	5.11	3
4	D	23.42	0.32	77.61	6.82	101.03	7.14	10.30	4
5	E	0.00	0.00	57.62	5.07	57.62	5.07	12.60	5
6	TOTAL	695.09	9.54	195.41	17.19	890.50	26.73	4.54	6
7	F								7
8	Potential Abandonments								8
9	Average cost of new and relay rail laid in replacement per gross ton:			New	\$870	Relay	\$113		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 (a)	Weight of rail		Total cost of rail applied in running tracks, passing tracks cross-overs, etc., during year (d)	Average cost per ton (2,000 lb) (e)	Weight of rail		Total cost of rail applied in yard, station, team, industry, and other switching tracks during year (h)	Average cost per ton (2,000 lb) (i)		
		Pounds per yard of rail (b)	Number of tons (2,000 lb) (c)			Pounds per yard of rail (f)	Number of tons (2,000 lb) (g)				
1										1	
2	4					115	55	4	80	2	
3										3	
4	1	132	32	25	779	132	260	211	813	4	
5	4	132	1,952	249	127	132	2,090	585	280	5	
6										6	
7	1					136	285	250	878	7	
8	4	136	685	91	133	136	93	12	133	8	
9										9	
10	4	140	437	62	142	140	67	5	80	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	3,106	\$427		N/A	2,850	\$1,067		33	
34	Number of miles of new running tracks, passing tracks, cross-overs, etc., in which rails were laid									13.17	34
35	Number of miles of new yard, station, team, industry, and other switching tracks in which rails were laid									12.24	35
36	Track-miles of welded rail installed on system this year 24.75 : total to date									22,171	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	20.70			1
2	100	807.91			2
3	105	75.20			3
4	110	50.90			4
5	112	616.34			5
6	115	1,012.08			6
7	119	9.20			7
8	127	497.42			8
9	130	518.78			9
10	131	974.69			10
11	132	9,230.66			11
12	133	139.55			12
13	136	3,352.27			13
14	140	1,007.01			14
15	141	395.28			15
16	152	76.13			16
17	155	50.88			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					33
34					34
35					35
36					36
37					37
38					38
39					39
40					40
41					41
42					42
43					43
44					44
45					45
46					46

**726. SUMMARY OF TRACK REPLACEMENTS**

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

Line No.	Track category (a)	Ties				Rail		Ballast	Track surfacing		Line No.
		Number of ties replaced		Percent replaced		Miles of rail replaced (rail-miles) (f)	Percent replaced (g)	Cubic yards of ballast placed (h)	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	1,220,337	3,595,196	4.1	5.7	506.5	2.7	1,025,165	3,255.0	35.1	1
2	B	992,517	2,708,035	4.6	3.4	168.57	1.3	681,373	1,679.2	25.1	2
3	C	280,948	860,140	3.2	4.9	71.29	1.3	110,652	506.1	19	3
4	D	136,404	291,228	1.9	0.8	108.18	2.4	88,099	330.2	14.6	4
5	E	426,550	1,888,020	1.6	1.7	62.69	0.4	201,132	314.8	3.7	5
6	TOTAL	3,056,756	9,342,619	3.2	3.0	917.23	1.6	2,106,421	6,085.3	20.7	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	440,099,273	1
2	Passenger		2
3	Yard switching	33,788,389	3
4	TOTAL	473,887,662	4
5	COST OF FUEL \$(000)*	\$ 1,446,934	5
6	Work Train	2,273,918	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 l.c.l. 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)	20,141		1
		2. TRAIN MILES - RUNNING (B)	XXXXXXXX	XXXXXX	
2		2-01 UNIT TRAINS	12,046,761	XXXXXX	2
3		2-02 WAY TRAINS	12,301,085	XXXXXX	3
4		2-03 THROUGH TRAINS	51,341,203		4
5		2-04 TOTAL TRAIN MILES (lines 2-4)	75,689,049		5
6		2-05 MOTORCARS (C)	0		6
7		2-06 TOTAL, ALL TRAINS (lines 5, 6)	75,689,049		7
		3. LOCOMOTIVE UNIT MILES (D)	XXXXXXXX	XXXXXX	
		ROAD SERVICE (E)	XXXXXXXX	XXXXXX	
8		3-01 UNIT TRAINS	28,401,668	XXXXXX	8
9		3-02 WAY TRAINS	21,506,970	XXXXXX	9
10		3-03 THROUGH TRAINS	120,858,730		10
11		3-04 TOTAL (lines 8-10)	170,767,368		11
12		3-11 TRAIN SWITCHING (F)	7,042,003	XXXXXX	12
13		3-21 YARD SWITCHING (G)	14,060,355		13
14		3-31 TOTAL ALL SERVICES (lines 11, 12, 13)	191,869,726		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	7,614	XXXXXX	16
17		4-012 BOX-EQUIPPED	126,909	XXXXXX	17
18		4-013 GONDOLA-PLAIN	205,547	XXXXXX	18
19		4-014 GONDOLA-EQUIPPED	120,257	XXXXXX	19
20		4-015 HOPPER-COVERED	125,142	XXXXXX	20
21		4-016 HOPPER-O/T-GENERAL SERVICE	86,227	XXXXXX	21
22		4-017 HOPPER-O/T-SPECIAL SERVICE	28,012	XXXXXX	22
23		4-018 REFRIGERATOR-MECHANICAL	4,083	XXXXXX	23
24		4-019 REFRIGERATOR-NON-MECHANICAL	5,412	XXXXXX	24
25		4-020 FLAT-TOFC/COFC	130,300	XXXXXX	25
26		4-021 FLAT-MULTI-LEVEL	19,866	XXXXXX	26
27		4-022 FLAT-GENERAL SERVICE	136	XXXXXX	27
28		4-023 FLAT-ALL OTHER	23,065	XXXXXX	28
29		4-024 ALL OTHER CAR TYPES	218,767	XXXXXX	29
30		4-025 TOTAL (lines 15-29)	1,101,337	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	7,848	XXXXXX	32
33		4-112 BOX-EQUIPPED	133,217	XXXXXX	33
34		4-113 GONDOLA-PLAIN	180,971	XXXXXX	34
35		4-114 GONDOLA-EQUIPPED	107,877	XXXXXX	35
36		4-115 HOPPER-COVERED	136,757	XXXXXX	36
37		4-116 HOPPER-O/T-GENERAL SERVICE	87,046	XXXXXX	37
38		4-117 HOPPER-O/T-SPECIAL SERVICE	30,204	XXXXXX	38
39		4-118 REFRIGERATOR-MECHANICAL	3,869	XXXXXX	39
40		4-119 REFRIGERATOR-NON-MECHANICAL	4,665	XXXXXX	40
41		4-120 FLAT-TOFC/COFC	14,350	XXXXXX	41
42		4-121 FLAT-MULTI-LEVEL	13,352	XXXXXX	42
43		4-122 FLAT-GENERAL SERVICE	483	XXXXXX	43
44		4-123 FLAT-ALL OTHER	26,423	XXXXXX	44
45		4-124 ALL OTHER CAR TYPES	3,134	XXXXXX	45
46		4-125 TOTAL (lines 31-45)	750,196	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	10,506	XXXXXX	48
49		4-132 BOX-EQUIPPED	16,900	XXXXXX	49
50		4-133 GONDOLA-PLAIN	56,812	XXXXXX	50
51		4-134 GONDOLA-EQUIPPED	11,636	XXXXXX	51
52		4-135 HOPPER-COVERED	286,833	XXXXXX	52
53		4-136 HOPPER-O/T-GENERAL SERVICE	27,419	XXXXXX	53
54		4-137 HOPPER-O/T-SPECIAL SERVICE	151,183	XXXXXX	54
55		4-138 REFRIGERATOR-MECHANICAL	2,012	XXXXXX	55
56		4-139 REFRIGERATOR-NON-MECHANICAL	681	XXXXXX	56
57		4-140 FLAT-TOFC/COFC	406,872	XXXXXX	57
58		4-141 FLAT-MULTI-LEVEL	156,737	XXXXXX	58
59		4-142 FLAT-GENERAL SERVICE	6	XXXXXX	59
60		4-143 FLAT-ALL OTHER	22,457	XXXXXX	60
61		4-144 TANK UNDER 22,000 GALLONS	115,415	XXXXXX	61
62		4-145 TANK - 22,000 GALLONS AND OVER	170,093	XXXXXX	62
63		4-146 ALL OTHER CAR TYPES	1,714	XXXXXX	63
64		4-147 TOTAL (lines 47-63)	1,437,276	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	9,653	XXXXXX	66
67		4-152 BOX-EQUIPPED	12,882	XXXXXX	67
68		4-153 GONDOLA-PLAIN	58,242	XXXXXX	68
69		4-154 GONDOLA-EQUIPPED	12,539	XXXXXX	69
70		4-155 HOPPER-COVERED	296,262	XXXXXX	70
71		4-156 HOPPER-O/T-GENERAL SERVICE	28,660	XXXXXX	71
72		4-157 HOPPER-O/T-SPECIAL SERVICE	151,888	XXXXXX	72
73		4-158 REFRIGERATOR-MECHANICAL	1,945	XXXXXX	73
74		4-159 REFRIGERATOR-NON-MECHANICAL	676	XXXXXX	74
75		4-160 FLAT-TOFC/COFC	43,126	XXXXXX	75
76		4-161 FLAT-MULTI-LEVEL	96,125	XXXXXX	76
77		4-162 FLAT-GENERAL SERVICE	14	XXXXXX	77
78		4-163 FLAT-ALL OTHER	25,124	XXXXXX	78
79		4-164 TANK UNDER 22,000 GALLONS	120,803	XXXXXX	79
80		4-165 TANK - 22,000 GALLONS AND OVER	178,460	XXXXXX	80
81		4-166 ALL OTHER CAR TYPES	1,813	XXXXXX	81
82		4-167 TOTAL (lines 65-81)	1,038,212	XXXXXX	82
83		4-17 WORK EQUIPMENT CAR-MILES	39,847	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	1,150,171	XXXXXX	85
86		4-192 WAY TRAINS	312,294	XXXXXX	86
87		4-193 THROUGH TRAINS	2,904,403	XXXXXX	87
88		4-194 TOTAL (lines 85-87)	4,366,868	XXXXXX	88
89		4-20 CABOOSE MILES	201	XXXXXX	89

\* Total number of loaded miles 218,471 and empty miles 2,784 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	32,074,205		98
		6-02 FREIGHT TRAINS, CRS., CNTS. & CABOOSE	XXXXXXXX	XXXXXX	
99		6-020 UNIT TRAINS	96,304,371	XXXXXX	99
100		6-021 WAY TRAINS	24,575,334	XXXXXX	100
101		6-022 THROUGH TRAINS	236,326,729	XXXXXX	101
102		6-03 PASSENGER-TRAINS, CRS. & CNTS.	0		102
103		6-04 NON-REVENUE	2,776,181	XXXXXX	103
104		6-05 TOTAL (lines 98-103)	392,056,820		104
		7. TONS OF FREIGHT (Thousands)	XXXXXXXX	XXXXXX	
105		7-01 REVENUE	402,452	XXXXXX	105
106		7-02 NON-REVENUE	4,015	XXXXXX	106
107		7-03 TOTAL (lines 105, 106)	406,467	XXXXXX	107
		8. TON-MILES OF FREIGHT (Thousands) (L)	XXXXXXXX	XXXXXX	
108		8-01 REVENUE-ROAD SERVICE	191,712,562	XXXXXX	108
109		8-02 REVENUE-LAKE TRANSFER SERVICE	0	XXXXXX	109
110		8-03 TOTAL (lines 108, 109)	191,712,562	XXXXXX	110
111		8-04 NON-REVENUE-ROAD SERVICE	1,267,931	XXXXXX	111
112		8-05 NON-REVENUE-LAKE TRANSFER SERV.	0	XXXXXX	112
113		8-06 TOTAL (lines 111, 112)	1,267,931	XXXXXX	113
114		8-07 TOTAL-REV AND NON-REV (lines 110, 113)	192,980,493	XXXXXX	114
		9. TRAIN HOURS (M)	XXXXXXXX	XXXXXX	
115		9-01 ROAD SERVICE	4,031,594	XXXXXX	115
116		9-02 TRAIN SWITCHING	676,810	XXXXXX	116
117		10. TOTAL YARD SWITCHING HOURS (N)	2,343,393	XXXXXX	117
		11. TRAIN-MILES WORK TRAINS (O)	XXXXXXXX	XXXXXX	
118		11-01 LOCOMOTIVES	979,649	XXXXXX	118
119		11-02 MOTORCARS	0	XXXXXX	119
		12. NUMBER OF LOADED FREIGHT CARS (P)	XXXXXXXX	XXXXXX	
120		12-01 UNIT TRAINS	2,474,475	XXXXXX	120
121		12-02 WAY TRAINS	5,079,623	XXXXXX	121
122		12-03 THROUGH TRAINS	5,969,767	XXXXXX	122
123		13. TOFC/COFC-NO. OF REV. TRLS. & CONT. LOADED & UNLOADED (Q)	5,399,163	XXXXXX	123
124		14. MULTI-LEVEL CARS-NO. OF MTR. VEH. LOADED AND UNLOADED (Q)	2,294,261	XXXXXX	124
125		15. TOFC/COFC-NO. OF REV TRLS. PICKED UP AND DELIVERED (R)	294,956	XXXXXX	125
		16. REVENUE TONS-MARINE TERMINAL (S)	XXXXXXXX	XXXXXX	
126		16-01 MARINE TERMINALS - COAL	29,363,600	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)	29,363,600	XXXXXX	129
		17. NUMBER OF FOREIGN PER DIEM CARS ON LINE (T)	XXXXXXXX	XXXXXX	
130		17-01 SERVICEABLE	27,906	XXXXXX	130
131		17-02 UNSERVICEABLE	1,211	XXXXXX	131
132		17-03 SURPLUS	0	XXXXXX	132
133		17-04 TOTAL (lines 130-132)	29,117	XXXXXX	133
134		TOFC/COFC - Average No. of Units Loaded Per Car	4.47	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**

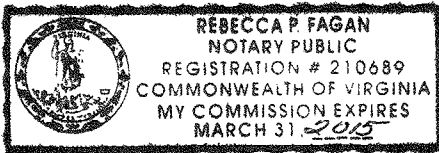
(To be made by the officer having control of the accounting of the respondent)

**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, 2011**, to and including **December 31, 2011**.

*Clyde 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 **30<sup>th</sup>** day of **March, 2012**. My commission expires **March 31, 2015**.



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

**SUPPLEMENTAL OATH**

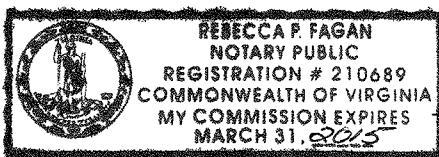
(By the president or other chief officer of the respondent)

**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, 2011**, to and including **December 31, 2011**.

*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 **30<sup>th</sup>** day of **March, 2012**. My commission expires **March 31, 2015**.



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



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