

Class I Railroad Annual Report

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



**To The
Surface Transportation Board
For the Year Ending December 31, 2012**

NOTICE

1. This report is required for every class I railroad operating within the United States. Three copies of this Annual Report should be completed. Two of the copies must be filed with the Surface Transportation Board, Office of Economics, Environmental Analysis, and Administration, 395 E Street, S.W. Suite 1100, 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.

For Index, See Back of Form

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ANNUAL REPORT

OF

NORFOLK SOUTHERN COMBINED RAILROAD SUBSIDIARIES

("NS RAIL")

TO THE

Surface Transportation Board

FOR THE

YEAR ENDED DECEMBER 31, 2012

Name, official title, telephone number, and office address of officer in charge of correspondence with the 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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TABLE OF CONTENTS

	Schedule	Page
Schedules Omitted by Respondent	A	1
Identity of Respondent	B	2
Voting Powers and Elections	C	3
Comparative Statement of Financial Position	200	5
Results of Operations	210	16
Retained Earnings	220	19
Capital Stock	230	20
Statement of Cash Flows	240	21
Working Capital	245	23
Investments and Advances Affiliated Companies	310	26
Investments in Common Stocks of Affiliated Companies	310A	30
Road Property and Equipment and Improvements to Leased Property and Equipment	330	32
Depreciation Base and Rates - Road and Equipment Owned and Used and Leased from Others	332	34
Accumulated Depreciation - Road and Equipment Owned and Used	335	35
Accrued Liability - Leased Property	339	36
Depreciation Base and Rates - Improvements to Road and Equipment Leased from Others	340	37
Accumulated Depreciation - Improvements to Road and Equipment Leased from Others	342	38
Depreciation Base and Rates - Road and Equipment Leased to Others	350	40
Accumulated Depreciation - Road and Equipment Leased to Others	351	41
Investment in Railroad Property Used in Transportation Service (By Company)	352A	42
Investment in Railroad Property Used in Transportation Service (By Property Accounts)	352B	43
Railway Operating Expenses	410	45
Way and Structures	412	52
Rents for Interchanged Freight Train Cars and Other Freight Carrying-Equipment	414	53
Supporting Schedule - Equipment	415	56
Supporting Schedule - Improvements to Equipment Leased from Others	415	57A
Supporting Schedule - Road	416	58
Specialized Service Subschedule - Transportation	417	60
Supporting Schedule - Capital Leases	418	61
Analysis of Taxes	450	63
Items in Selected Income and Retained Earnings Accounts for the Year	460	65
Guaranties and Suretyships	501	66
Compensating Balances and Short-Term Borrowing Arrangements	502	67
Separation of Debtholdings Between Road Property and Equipment	510	69
Transactions Between Respondent and Companies or Persons Affiliated with Respondent for Services		
Received or Provided	512	72
Mileage Operated at Close of Year	700	74
Miles of Road at Close of Year - By States and Territories (Single Track)	702	75
Inventory of Equipment	710	78
Unit Cost of Equipment Installed During the Year	710S	84
Track and Traffic Conditions	720	85
Ties Laid in Replacement	721	86
Ties Laid in Additional Tracks and in New Lines and Extensions	722	87
Rails Laid in Replacement	723	88
Rails Laid in Additional Tracks and in New Lines and Extensions	724	89
Weight of Rail	725	90
Summary of Track Replacements	726	91
Consumption of Diesel Fuel	750	91
Railroad Operating Statistics	755	94
Verification		98
Memoranda		99
Index		100

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.

Supplemental Information about the Annual Report (R-1)

The following information is provided in Compliance with OMB requirements and pursuant to the Paperwork Reduction Act of 1995, 44 U.S.C. §§ 3501-3519 (PRA):

This information collection is mandatory pursuant to 49 U.S.C. § 11145. The estimated hour burden for filing this report is estimated at no more 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 its 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); developing the Uniform Rail Cost System (UCRS); conducting rail revenue adequacy proceedings; developing rail cost adjustment factors; and conducting investigations and rulemakings. 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. In addition, some of the information is posted on the Board's website, where it may remain indefinitely. All information collected through this report is available to the public. Under the PRA, a federal agency may not conduct or sponsor, and a person is not required to respond to, nor shall a person be subject to a penalty for failure to comply with, a collection of information unless it displays a currently valid OMB control number. Comments and questions about this collection (2140-0009) should be directed to Paperwork Reduction Officer, Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001.

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
		<p style="text-align: center;">NONE</p>

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, Inc. (Conrail) (which owns
Consolidated Rail Corporation) became final. NSR and CSX Transportation, Inc. (CSXT) 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."

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, 2012.
(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			
					PREFERRED		
1	Norfolk Southern Railway:						1
2	Norfolk Southern Corp.	Norfolk, VA	16,668,997	16,668,997			2
3							3
4							4
5							5
6							6
7							7
8							8
9							9
10							10
11							11
12							12
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 22, 2012

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

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

Class II

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	600,286	245,617	1
2		702	Temporary Cash Investments	15,000	25,003	2
3		703	Special Deposits			3
Accounts Receivable						
4		704	- Loan and Notes	1,029	616	4
5		705	- Interline and Other Balances	63,646	55,684	5
6		706	- Customers	529,880	538,603	6
7		707	- Other	153,236	121,719	7
8		709, 708	- Accrued Accounts Receivables	353,071	299,019	8
9		708.5	- Receivables from Affiliated Companies	11,167,056	7,740,806	9
10		709.5	- Less: Allowance for Uncollectible Accounts	(3,349)	(4,338)	10
11		710, 711, 714	Working Funds Prepayments Deferred Income Tax Debits	215,454	211,385	11
12		712	Materials and Supplies	215,378	208,672	12
13		713	Other Current Assets	5,991	6,742	13
14			TOTAL CURRENT ASSETS	13,316,678	9,449,528	14
Other Assets						
15		715, 716, 717	Special Funds	3,038	16,673	15
16		721, 721.5	Investments and Advances Affiliated Companies (Schedule 310 and 310A)	2,192,065	2,396,187	16
17		722, 723	Other Investments and Advances	299,663	276,634	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) \$44,772 and \$42,349 respectively	123,427	124,845	19
20		739, 741	Other Assets	23,473	29,407	20
21		743	Other Deferred Debits	58	6,364	21
22		744	Accumulated Deferred Income Tax Debits			22
23			TOTAL OTHER ASSETS	2,641,724	2,850,110	23
Road and Equipment						
24		731, 732	Road (Schedule 330, L-30 Col. h & b)	25,358,445	24,314,761	24
25		731, 732	Equipment (Schedule 330, L-39 Col. h & b)	9,086,897	8,435,089	25
26		731, 732	Unallocated Items	577,425	549,855	26
27		733, 735	Accumulated Depreciation and Amortization (Schedules 335, 342, 351)	(10,002,307)	(9,538,594)	27
28			Net Road and Equipment	25,020,460	23,761,111	28
29	*		TOTAL ASSETS	40,978,862	36,060,749	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.
Current Liabilities						
30		751	Loans and Notes Payable	200,000	100,000	30
31		752	Accounts Payable; Interline and Other Balances	575	1,020	31
32		753	Audited Accounts and Wages	1,777	2,089	32
33		754	Other Accounts Payable	2,307	266	33
34		755, 756	Interest and Dividends Payable	11,641	14,307	34
35		757	Payables to Affiliated Companies	8,056,024	5,084,948	35
36		759	Accrued Accounts Payable	1,351,966	1,086,607	36
37		760, 761, 761.5, 762	Taxes Accrued	187,048	182,433	37
38		763	Other Current Liabilities	137,988	132,816	38
39		764	Equipment Obligations and Other Long-Term Debt	49,799	50,201	39
40			TOTAL CURRENT LIABILITIES	9,999,125	6,654,687	40
Non-Current Liabilities						
41		765, 767	Funded Debt Unmatured	551,826	579,026	41
42		766	Equipment Obligations	14,710	33,850	42
43		766.5	Capitalized Lease Obligations	2,087	2,188	43
44		768	Debt in Default			44
45		769	Accounts Payable; Affiliated Companies	3,208,500	2,013,424	45
46		770.1, 770.2	Unamortized Debt Premium	94,657	101,748	46
47		781	Interest in Default			47
48		783	Deferred Revenues-Transfers from Government Authorities			48
49		786	Accumulated Deferred Income Tax Credits	8,123,071	7,943,800	49
50		771, 772, 774, 775, 782, 784	Other Long-Term Liabilities and Deferred Credits	4,229,070	3,927,954	50
51			TOTAL NONCURRENT LIABILITIES	16,223,921	14,601,990	51
Shareholders' Equity						
52		791, 792	Total Capital Stock: (Schedule 230, E-11 & 17)	166,690	166,690	52
53			Common Stock	166,690	166,690	53
54			Preferred Stock			54
55			Discount on Capital Stock			55
56		794, 795	Additional Capital (Schedule 230)	7,099,625	7,063,939	56
Retained Earnings:						
57		797	Appropriated			57
58		798	Unappropriated (Schedule 220)	7,706,147	7,571,137	58
59		796	Accumulated Other Comprehensive Income	(216,646)	2,306	59
60		798.5	Less Treasury Stock			60
61			Net Stockholders' Equity	14,755,816	14,804,072	61
62	*		TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	40,978,862	36,060,749	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 beginning 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. We have 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 the first quarter of 2012, we adopted Accounting Standards Update (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.

In the first quarter of 2012, we adopted ASU No. 2011-04, "*Fair Value Measurements (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*." This update provides clarification about the application of existing fair value measurements and disclosure requirements, and expands certain other disclosure requirements.

10. Related Parties**General**

NS is our parent holding company. Rail operations are coordinated at the holding company level by the Chief Operating Officer. NS charges us a fee for management services it performs for us (which totaled \$846 million in 2012 and \$823 million in 2011, including a \$51 million markup in both years). In addition, NS charges us a revenue-based licensing fee (which totaled \$159 million in 2012 and \$163 million in 2011) for the use of certain intangible assets owned by NS.

Noncash Dividends

We declared and issued to NS noncash dividends totaling \$1.7 billion in 2012, and \$2.0 billion in 2011, which were settled by reduction of advances due from NS. Noncash dividends are excluded from the Combined Statements of Cash Flows.

Operations 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 us and CSX Transportation, Inc. (CSXT). The costs of operating the Shared Assets Areas are borne by us and CSXT based on usage. In addition, we 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 \$147 million in 2012 and \$131 million in 2011. Future minimum lease payments due to CRC under the Shared Assets Areas agreements are as follows: \$33 million in each of 2013 through 2017 and \$217 million thereafter.

Intercompany Accounts

	December 31,	
	2012	2011
	(\$ in millions)	
Current:		
Accrued Accounts Payable	\$ 1,352	\$ 1,087
Long-term		
Other Long-Term Liabilities and Deferred Credits	\$ 4,229	\$ 3,928

"Accrued Accounts Payable" includes \$178 million at December 31, 2012, and \$160 million at December 31, 2011, due to Conrail for the operation of the Shared Assets Areas. In addition, "Other Long-Term Liabilities and Deferred Credits" includes \$101 million at both December 31, 2012 and 2011, for long-term advances from Conrail, maturing 2035, that bear interest at a rate of 4.40%.

Interest is applied to certain advances at the average NS yield on short-term investments and to the notes at specified rates. Our results include interest income on amounts due from NS of \$10 million in 2012 and \$11 million in 2011, and interest expense of \$69 million in 2012 and \$27 million in 2011 related to these intercompany accounts. These amounts are included in "Interest income" and "Interest on unfunded debt", respectively.

Capital Contributions

In 2012 and 2011, we recognized \$36 million and \$44 million of capital contributions, respectively, for tax benefits 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. We 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 \$2,052 million at December 31, 2012, and \$1,937 million at December 31, 2011.

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 us.

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, we are 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 we have 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

	December 31,	
	2012	2011
	(\$ in millions)	
Marketable equity securities, principally 20,320,777 shares of NS Common Stock at fair value (Level 1)	\$ 1,257	\$ 1,481

Carrying value adjustments, which are noncash transactions, are not included in the Combined Statement of Cash Flows. The gross unrealized holding gain was \$1,237 million on December 31, 2012 and \$1,461 million on December 31, 2011. Sales of "available-for-sale" securities were zero for the year ended December 31, 2012 and \$57 million for the year ended December 31, 2011.

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; these plans can be amended or terminated at NS' option. Under the health care plans, a defined percentage of health care expenses is covered, reduced by any deductibles, co-payments, Medicare payments and, in some cases, coverage provided under other group insurance policies. The following relates to the combined NS plans.

Pension and Other Postretirement Benefit Obligations and Plan Assets

	Pension Benefits		Other Postretirement Benefits	
	2012	2011	2012	2011
	(\$ in millions)			
Change in benefit obligations:				
Benefit obligation at beginning of year	\$ 2,027	\$ 1,813	\$ 1,206	\$ 1,082
Service cost	34	28	15	14
Interest cost	89	92	54	58
Actuarial losses	253	209	82	101
Benefits paid	(118)	(115)	(46)	(49)
Benefit obligation at end of year	<u>2,285</u>	<u>2,027</u>	<u>1,311</u>	<u>1,206</u>
Change in plan assets:				
Fair value of plan assets at beginning of year	1,670	1,756	186	178
Actual return on plan assets	227	18	19	8
Employer contribution	12	11	46	49
Benefits paid	(118)	(115)	(46)	(49)
Fair value of plan assets at end of year	<u>1,791</u>	<u>1,670</u>	<u>205</u>	<u>186</u>
Funded status at end of year	<u>\$ (494)</u>	<u>\$ (357)</u>	<u>\$ (1,106)</u>	<u>\$ (1,020)</u>
Amounts recognized in the Consolidated Balance Sheets:				
Noncurrent assets	\$ 1	\$ 1	\$ -	\$ -
Current liabilities	(13)	(12)	(57)	(56)
Noncurrent liabilities	(482)	(346)	(1,049)	(964)
Net amount recognized	<u>\$ (494)</u>	<u>\$ (357)</u>	<u>\$ (1,106)</u>	<u>\$ (1,020)</u>
Amounts recognized in accumulated other comprehensive loss (pretax):				
Net loss	\$ 1,160	\$ 1,071	\$ 459	\$ 434
Prior service cost	4	4	-	-

NS' accumulated benefit obligation for its defined benefit pension plans is \$2.1 billion and \$1.9 billion at December 31, 2012 and 2011, 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 \$239 million at December 31, 2012, and \$219 million at December 31, 2011, and had accumulated benefit obligations of \$215 million at December 31, 2012, and \$195 million at December 31, 2011.

Pension and Other Postretirement Benefit Cost Components

	2012	2011
	(\$ in millions)	
Pension benefits		
Service cost	\$ 34	\$ 28
Interest cost	89	92
Expected return on plan assets	(138)	(140)
Amortization of net losses	75	67
Amortization of prior service cost	-	3
Net cost	<u>\$ 60</u>	<u>\$ 50</u>
Other postretirement benefits		
Service cost	\$ 15	\$ 14
Interest cost	54	58
Expected return on plan assets	(15)	(15)
Amortization of net losses	53	44
Net cost	<u>\$ 107</u>	<u>\$ 101</u>

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

	2012	
	Pension Benefits	Other Postretirement Benefits
	(\$ in millions)	
Net loss arising during the year	\$ 164	\$ 78
Amortization of net losses	(75)	(53)
Total recognized in other comprehensive loss	<u>\$ 89</u>	<u>\$ 25</u>
Total recognized in net periodic cost and other comprehensive loss	<u>\$ 149</u>	<u>\$ 132</u>

The estimated net losses and prior service cost for the pension benefit pension plans that will be amortized from accumulated other comprehensive loss into net periodic benefit cost over the next year are \$88 million and \$1 million, respectively. The estimated net losses for the other postretirement benefit plans that will be amortized from accumulated other comprehensive loss into net periodic benefit cost over the next year are \$57 million.

Pension and Other Postretirement Benefits Assumptions

Costs for pension and other postretirement benefits 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>2012</u>	<u>2011</u>
Pension funded status:		
Discount rate	3.65%	4.50%
Future salary increases	4.50%	4.50%
Other postretirement benefits funded status:		
Discount rate	3.80%	4.55%
Pension cost:		
Discount rate	4.50%	5.25%
Return on assets in plans	8.25%	8.75%
Future salary increases	4.50%	4.50%
Other postretirement benefits cost:		
Discount rate	4.55%	5.40%
Return on assets in plan	8.00%	8.50%
Health care trend rate	7.70%	8.10%

To determine the discount rates, NS utilizes 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 uses the results of the yield curve analyses to select the discount rates that match the payment streams of the benefits in these plans.

Health Care Cost Trend Assumptions

For measurement purposes at December 31, 2012, increases in the per capita cost of covered health care benefits were assumed to be 7.30% for 2013. It is assumed the rate will decrease gradually to an ultimate rate of 5.00% for 2019 and remain at that level thereafter.

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

	One percentage point	
	<u>Increase</u>	<u>Decrease</u>
	(\$ in millions)	
Increase (decrease) in:		
Total service and interest cost components	\$ 11	\$ (9)
Postretirement benefit obligation	\$ 190	\$ (156)

Asset Management

Nine investment firms manage NS' defined benefit pension plans' assets under investment guidelines approved by the Benefits Investment Committee that is comprised of members of NS' management. Investments are restricted to domestic and international equity securities, domestic and international fixed income securities, 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 plans' assets. The fixed income portfolio is invested in the Barclays Government/Credit Bond Index Fund, except that the Canadian earmarked portion of the portfolio 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 plans' weighted-average asset allocations, by asset category, were as follows:

	Percentage of plan	
	<u>assets at December 31,</u>	<u>assets at December 31,</u>
	<u>2012</u>	<u>2011</u>
Domestic equity securities	52%	56%
International equity securities	22%	17%
Debt securities	24%	25%
Cash and cash equivalents	2%	2%
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, 2012, of 58% in equity securities and 42% in debt securities compared with 56% in equity securities and 44% in debt securities at December 31, 2011. 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 allocations and 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 8.25% for 2012 and 8.75% for 2011. A one-percentage point change to the rate of return assumption would result in a \$17 million change to the net pension cost and, as a result, an equal change in "Compensation and benefits" expense. For 2013, 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 primarily observable as well as unobservable market-based inputs.

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

	December 31, 2012		
	Level 1	Level 2 <i>(\$ in millions)</i>	Total
Common stock	\$ 1,028	\$ -	\$ 1,028
Common collective trusts:			
Debt securities	-	433	433
International equity securities	-	211	211
Commingled funds	-	84	84
Interest bearing cash	31	-	31
U.S. government and agencies securities	-	3	3
Preferred stock	-	1	1
Total investments	\$ 1,059	\$ 732	\$ 1,791
	December 31, 2011		
	Level 1	Level 2 <i>(\$ in millions)</i>	Total
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
Total investments	\$ 1,054	\$ 616	\$ 1,670

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

Trust-owned life insurance: Valued at our 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 \$205 million and \$186 million at December 31, 2012 and 2011, 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 2013, NS expects to contribute approximately \$13 million to its unfunded pension plans for payments to pensioners and approximately \$57 million to its other postretirement benefit plans for retiree health and death benefits. NS does not expect to contribute to its funded pension plan in 2013.

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

	Pension Benefits	Other Postretirement Benefits
	(\$ in millions)	
2013	\$ 123	\$ 57
2014	126	59
2015	128	61
2016	131	63
2017	132	65
Years 2018-2022	674	348

The other postretirement benefits payments include an estimated average annual reduction due to the Medicare Part D subsidy of approximately \$6 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 totaled \$47 million in 2012 and \$48 million in 2011.

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 \$18 million in 2012 and \$17 million in 2011.

13. Commitments and Contingencies

Lawsuits

We, and/or certain subsidiaries, are defendants in numerous lawsuits and other claims relating principally to railroad operations. When we conclude 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 our 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.

One of our customers, DuPont, has a rate reasonableness complaint pending before the STB alleging that our tariff rates for transportation of regulated movements are unreasonable. We dispute this allegation. Since June 1, 2009, we have been billing and collecting from DuPont amounts based on the challenged tariff rates. We presently expect resolution of the DuPont case to occur in 2014 and believe the estimate of reasonably possible loss will not have a material effect on our financial position, results of operations, or liquidity. With regard to rate cases, we record 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 us and other Class I railroads in various Federal district courts regarding fuel surcharges were consolidated in the District of Columbia by the Judicial Panel on Multidistrict Litigation. We believe the allegations in the complaints are without merit and intend to vigorously defend the cases. We do not believe that the outcome of these proceedings will have a material effect on our financial position, results of operations, or liquidity. A lawsuit filed on March 25, 2008, in the U.S. District Court for the District of Minnesota containing similar allegations against us and four other major railroads 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, we utilize 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 our 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, we record 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 our insurance carriers for claims associated with the January 6, 2005, derailment in Graniteville, S.C. In the first quarter of 2011, we received an unfavorable ruling for an arbitration claim with an insurance carrier, and were denied recovery of the contested portion of the claim. As a result, we 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.

Employee personal injury claims – The largest component of casualties and other claims expense is employee personal injury costs. The independent actuarial firm engaged by us provides quarterly studies to aid in valuing our employee personal injury liability and estimating employee personal injury expense. The actuarial firm studies our historical patterns of reserving for claims and subsequent settlements, taking into account relevant outside influences. The actuarial firm uses the results of these analyses to estimate the ultimate amount of the liability, which includes amounts for incurred but unasserted claims. We adjust the liability quarterly based upon our assessment and the results of the study. Our 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 our history of claim filings, severity, payments, and other pertinent facts. The liability is dependent upon judgments we make as to the specific case reserves as well as judgments of the actuarial firm in the quarterly 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 our experience into the future as far as can be reasonably determined. We adjust the liability quarterly based upon our 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 – We record a liability for third-party claims including those for highway crossing accidents, trespasser and other injuries, automobile liability, property damage, and lading damage. The actuarial firm assists us with the calculation of potential liability for third-party claims, except lading damage, based upon our 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 not reported. We adjust the liability quarterly based upon our 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

We are subject to various jurisdictions' environmental laws and regulations. We 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 we have incurred are reflected as receivables (when collection is probable) in the Combined Balance Sheets and are not netted against the associated liability. Environmental engineers regularly participate in ongoing evaluations of all known sites and in determining any necessary adjustments to liability estimates. We have an Environmental Policy Council, composed of senior managers, to oversee and interpret our environmental policy.

Our Combined Balance Sheets include liabilities for environmental exposures of \$42 million at December 31, 2012, and \$35 million at December 31, 2011 (of which \$12 million is classified as a current liability at both December 31, 2012 and 2011). At December 31, 2012, the liability represents our estimate of the probable cleanup and remediation costs based on available information at 146 known locations and projects compared with 149 locations and projects at December 31, 2011. At December 31, 2012, nine sites accounted for \$23 million of the liability, and no individual site was considered to be material. We anticipate that much of this liability will be paid out over five years; however, some costs will be paid out over a longer period.

At 22 locations, one or more of our 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. We calculate our 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 us or by the EPA or comparable state authorities), estimates of our 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 our traffic mix, particularly those classified as hazardous materials, pose special risks that we work diligently to minimize. In addition, several of our 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 that are latent or undisclosed may exist on these properties, there can be no assurance that we 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, we believe we have recorded the probable and reasonably estimable costs for dealing with those environmental matters of which we are aware. Further, we believe that it is unlikely that any known matters, either individually or in the aggregate, will have a material adverse effect on our financial position, results of operations, or liquidity.

Insurance

We obtain on behalf of ourselves and our subsidiaries insurance for potential losses for third-party liability and first-party property damages. We are 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 us or in our care, custody or control.

Purchase Commitments

At December 31, 2012, we had outstanding purchase commitments totaling approximately \$560 million for long-term service contracts through 2019 as well as locomotives, track material, and freight cars, in connection with our capital programs through 2016.

Change-In-Control Arrangements

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

Guarantees

In a number of instances, we have 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 our financings are inherently unpredictable, and therefore our exposure in connection with the foregoing indemnifications cannot be quantified. No liability has been recorded related to these indemnifications.

We have 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, we have 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. We do not believe that it is likely that we will be required to make any payments under these indemnities.

As of December 31, 2012, certain of our 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 2012, we continued our reliance on private contracts and exempt price quotes as the predominant pricing mechanism. Thus, a major portion of our 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
Line 15, column (b)
Line 47 plus 48 plus 49, column (b)
Line 50, column (b)

Schedule 210
= Line 62, column (b)
= Line 63, column (b)
= Line 64, column (b)
Schedule 410
= Line 620, column (h)
= Line 620, column (f)
= Line 620, column (g)

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Freight-related revenue & expenses (d)	Passenger-related revenue & expenses (e)	Line No.
		ORDINARY ITEMS					
		OPERATING INCOME					
		Railway Operating Income					
1		(101) Freight	10,629,869	10,721,647	10,629,869		1
2		(102) Passenger					2
3		(103) Passenger-Related					3
4		(104) Switching	77,492	73,344	77,492		4
5		(105) Water Transfers					5
6		(106) Demurrage	158,016	159,217	158,016		6
7		(110) Incidental	174,720	217,565	174,720		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)	11,040,097	11,171,773	11,040,097		10
11		(502) Railway operating revenues-Transfers from Government Authorities for current operations					11
12		(503) Railway operating revenues-Amortization of deferred transfers from Government Authorities					12
13		TOTAL RAILWAY OPERATING REVENUES (lines 10-12)	11,040,097	11,171,773	11,040,097		13
14	*	(531) Railway operating expenses	8,142,872	8,191,691	8,142,872		14
15	*	Net revenue from railway operations	2,897,225	2,980,082	2,897,225		15
		OTHER INCOME					
16		(506) Revenue from property used in other than carrier operations	7,213	4,628			16
17		(510) Miscellaneous rent income	42,913	43,609			17
18		(512) Separately operated properties-Profit					18
19		(513) Dividend Income (cost method)	39,422	33,736			19
20		(514) Interest Income	11,591	13,554			20
21		(516) Income from sinking and other funds					21
22		(517) Release of premiums on funded debt					22
23		(518) Reimbursements received under contracts and agreements					23
24		(519) Miscellaneous income	121,197	152,278			24
		Income from affiliated companies: 519					
		a. Dividends (equity method)					
25		b. Equity in undistributed earnings (losses)	(3,574)	(2,961)			25
26							26
27		TOTAL OTHER INCOME (lines 16-26)	218,762	244,844			27
28		TOTAL INCOME (lines 15, 27)	3,115,987	3,224,926			28
		MISCELLANEOUS DEDUCTIONS FROM INCOME					
29		(534) Expenses of property used in other than carrier operations	13,538	19,675			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	22,796	21,820			34
35		(553) Uncollectible accounts					35
36		TOTAL MISCELLANEOUS DEDUCTIONS (lines 29-35)	36,334	41,495			36
37		Income available for fixed charges (lines 28, 36)	3,079,653	3,183,431			37

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

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Line No.
		FIXED CHARGES			
		(546) Interest on funded debt:			
38		(a) Fixed interest not in default	93,091	46,397	38
39		(b) Interest in default			39
40		(547) Interest on unfunded debt	101,345	102,217	40
41		(548) Amortization of discount on funded debt	38	46	41
42		TOTAL FIXED CHARGES (lines 38-41)	194,474	148,660	42
43		Income after fixed charges (lines 37, 42)	2,885,179	3,034,771	43
		OTHER DEDUCTIONS			
		(546) Interest on funded debt:			
44		(c) Contingent interest			44
		UNUSUAL OR INFREQUENT ITEMS			
45		(555) Unusual or infrequent items (debit) credit			45
46		Income (Loss) from continuing operations (before income taxes)	2,885,179	3,034,771	46
		PROVISIONS FOR INCOME TAXES			
		(556) Income taxes on ordinary income:			
47	*	(a) Federal income taxes	669,693	503,087	47
48	*	(b) State income taxes	65,772	40,014	48
49	*	(c) Other income taxes			49
50	*	(557) Provision for deferred taxes	309,730	496,666	50
51		TOTAL PROVISIONS FOR INCOME TAXES (lines 47-50)	1,045,195	1,039,767	51
52		Income from continuing operations (lines 46+51)	1,839,984	1,995,004	52
		DISCONTINUED OPERATIONS			
53		(560) Income or loss from operations of discontinued segments (less applicable income taxes of \$)			53
54		(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of \$)			54
55		Income before extraordinary items (lines 52+53+54)	1,839,984	1,995,004	55
		EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES			
56		(570) Extraordinary items (Net)			56
57		(590) Income taxes on extraordinary items			57
58		(591) Provision for deferred taxes-Extraordinary items			58
59		TOTAL EXTRAORDINARY ITEMS (lines 56-58)			59
60		(592) Cumulative effect of changes in accounting principles (less applicable tax of \$)			60
61	*	Net income (Loss) (lines 55+59+60)	1,839,984	1,995,004	61
		Reconciliation of net railway operating income(NROI)			
62		Net revenues from railway operation	2,897,225	2,980,082	62
63	*	(556) Income taxes on ordinary income (-)	(735,465)	(543,101)	63
64	*	(557) Provision for deferred income taxes (-)	(309,730)	(496,666)	64
65		Income from lease of road and equipment (-)	(9,571)	(8,918)	65
66		Rent for leased roads and equipment (+)	23,923	23,432	66
67		Net railway operating income (loss)	1,866,382	1,954,829	67

Notes and Remarks For Schedules 210 and 220

[Empty rectangular box for notes and remarks]

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 (a)	Retained earnings- Unappropriated (b)	Equity in undistributed earnings (losses) of affiliated companies (c)	Line No.
1		Balances at beginning of year	7,571,137		1
2	(601.5)	Prior period adjustments to beginning retained earnings			2
		CREDITS			
3	(602)	Credit balance transferred from income	1,839,984		3
4	(603)	Appropriations released			4
5	(606)	Other credits to retained earnings			5
6		TOTAL	1,839,984		6
		DEBITS			
7	(612)	Debit balance transferred from income			7
8	(616)	Other debits to retained earnings	4,736		8
9	(620)	Appropriations for sinking and other funds			9
10	(621)	Appropriations for other purposes			10
11	(623)	Dividends: Common stock	1,700,238		11
12		Preferred stock (1)			12
13		TOTAL	1,704,974		13
14		Net increase (decrease) during year (line 6 minus line 13)	135,010		14
15		Balances at close of year (lines 1, 2 & 14)	7,706,147		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	7,706,147	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 provided on January 7, 2013.

* 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			\$7,063,939	11
12	Capital Stock Sold								12
13	Capital Stock Reacquired								13
14	Capital Stock Canceled								14
15	Contribution to Capital							\$35,686	15
16									16
17	Balance at close of year				\$166,690			\$7,099,625	17

240. STATEMENT OF CASH FLOWS
(Dollars in Thousands)

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

CASH FLOWS FROM OPERATING ACTIVITIES

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

RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Line No.	Cross Check	Description (a)	Current Year (b)	Prior Year (c)	Line No.
10		Income from continuing operations	1,839,984	1,995,004	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	(4,359)	(33,118)	11
12		Depreciation and amortization expenses	971,549	918,088	12
13		Increase (decrease) in provision for deferred income taxes	309,730	496,666	13
14		Net decrease (increase) in undistributed earnings (losses) of affiliates	(11,020)	(9,995)	14
15		Decrease (increase) in accounts receivable	(63,510)	(211,938)	15
16		Decrease (increase) in materials and supplies, and other current assets	(12,987)	(26,314)	16
17		Increase (decrease) in current liabilities other than debt	115,364	106,232	17
18		Increase (decrease) in other-net	220,256	96,893	18
19		Net cash provided from continuing operations (Lines 10-18)	3,365,007	3,331,518	19
20		Add (subtract) cash generated (paid) by reason of discontinued operations and extraordinary items			20
21		NET CASH PROVIDED FROM OPERATING ACTIVITIES (Lines 19 & 20)	3,365,007	3,331,518	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	143,758	41,716	22
23		Capital expenditures	(2,234,179)	(2,155,768)	23
24		Net change in temporary cash investments not qualifying as cash equivalents	25,003	282,709	24
25		Proceeds from sale/repayment of investment and advances	44,658	62,931	25
26		Purchase price of long-term investment and advances	(18,167)	(41,458)	26
27		Net decrease (increase) in sinking and other special funds	13,635	148,687	27
28		Other-net			28
29		NET CASH USED IN INVESTING ACTIVITIES (Lines 22-28)	(2,025,292)	(1,661,183)	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	300,000	100,000	30
31		Principal payments of long-term debt	(246,843)	(152,916)	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	(1,038,203)	(2,114,044)	35
36		NET CASH USED IN FINANCING ACTIVITIES (Lines 30-35)	(985,046)	(2,166,960)	36
37		NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (Lines 21, 29 & 36)	354,669	(496,625)	37
38		Cash and cash equivalents at beginning of the year	245,617	742,242	38
39		CASH AND CASH EQUIVALENTS AT END OF THE YEAR (Lines 37 & 38)	600,286	245,617	39
		Footnotes to Schedule 240			
		Cash paid during the year for:			
40		Interest (net of amount capitalized)*	35,163	62,077	40
41		Income taxes (net)*	596,703	295,720	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.
CURRENT OPERATING ASSETS				
1	Interline and Other Balances (705)	Schedule 200, line 5, column b	63,646	1
2	Customers (706)	Schedule 200, line 6, column b	529,880	2
3	Other (707)	Note A	153,236	3
4	TOTAL CURRENT OPERATING ASSETS	Line 1 + 2 + 3	746,762	4
OPERATING REVENUE				
5	Railway Operating Revenue	Schedule 210, line 13, column b	11,040,097	5
6	Rent Income	Note B	224,079	6
7	TOTAL OPERATING REVENUES	Lines 5 + 6	11,264,176	7
8	Average Daily Operating Revenues	Line 7 ÷ 360 days	31,289	8
9	Days of Operating Revenue in Current Operating Assets	Line 4 ÷ line 8	24	9
10	Revenue Delay Days Plus Buffer	Lines 9 + 15 days	39	10
CURRENT OPERATING LIABILITIES				
11	Interline and Other Balances (752)	Schedule 200, line 31, column b	575	11
12	Audited Accounts and Wages Payable (753)	Note A	1,777	12
13	Accounts Payable-Other (754)	Note A	2,307	13
14	Other Taxes Accrued (761.5)	Note A	153,077	14
15	TOTAL CURRENT OPERATING LIABILITIES	Sum of lines 11 to 14	157,736	15
OPERATING EXPENSES				
16	Railway Operating Expenses	Schedule 210, line 14, column b	8,142,872	16
17	Depreciation	Schedule 410, lines 136, 137, 138, 213, 232, 317, column h	969,944	17
18	Cash Related Operating Expenses	Line 16 + line 6 - line 17	7,397,007	18
19	Average Daily Expenditures	Line 18 ÷ 360 days	20,547	19
20	Days of Operating Expenses in Current Operating Liabilities	Line 15 ÷ line 19	8	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	636,957	22
23	Cash and Temporary Cash Balance	Schedule 200, line 1 + line 2, column b	615,286	23
24	Cash Working Capital Allowed	Lesser line 22 and line 23	615,286	24
MATERIALS AND SUPPLIES				
25	Total Material and Supplies (712)	Note A	215,378	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	215,378	27
28	TOTAL WORKING CAPITAL	Line 24 + line 27	830,664	28

Notes: (A) Use common carrier portion only. Common carrier refers to railway transportation service.

(B) Rent Income is the sum of Schedule 410, column h, lines 121, 122, 123, 127, 128, 129, 133, 134, 135, 208, 210, 212, 227, 229, 231, 312, 314, and 316. Rent income is added to railway operating revenues to produce total revenues. Rent income is also added to total operating expenses to exclude the rent revenue items from operating expense.

(C) If result is negative, use zero.

NOTES AND REMARKS

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GENERAL INSTRUCTIONS CONCERNING RETURNS IN SCHEDULES 310 AND 310A

1. Schedule 310 should give particulars of stocks, bonds, 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				Roanoke Valley Development Corporation (18)	45.44	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%

(2) Controlled jointly-other RRs own 91.67%

(3) Controlled jointly-other RRs own 59.36%

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

(5) Controlled jointly-other RRs own 85.71%

(6) Controlled jointly-other RRs own 80.35%

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

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

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

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

310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES - Continued

(Dollars in Thousands)

- 6. If any of the companies in this schedule are controlled by respondent the percent of control should be shown in column (e). In case any company listed is controlled other than through actual ownership of securities, give particulars in a footnote. In cases of joint control, give names of other parties and particulars of control.
- 7. If any advances reported are pledged, give particulars in a footnote.
- 8. Investments in companies in which neither the original cost or present equity in total assets are less than \$10,000 may be combined in one figure.
- 9. Also included should be investments in unincorporated entities such as lessee organizations (exclusive of amounts nominally settled on a current basis).
- 10. This schedule should not include securities issued or assumed by respondent.
- 11. For affiliates which do not report to the Interstate Commerce Commission and are jointly owned, give names and 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	293,309	7,799		301,108				13
14	151,213	1,883		153,096				14
15								15
16	447,035	9,682	-	456,717	-	20		16
17								17
18								18
19								19
20								20
21								21
22	4,893	458		5,351				22
23	38,650	7,400		46,050				23
24	1,480,572		223,935	1,256,637				24
25	-	200		200				25
26	1,524,115	8,058	223,935	1,308,238				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 fair value adjustment.

(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% (18) Controlled jointly - Others own 54.56%

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				Total E-3		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	1,624		1,624	-				9
10								10
11								11
12	6,175	-	1,624	4,551				12
13								13
14	39,731			39,731				14
15	4,002	6		4,008				15
16	383			383				16
17								17
18	44,116	6	-	44,122				18
19								19
20								20
21								21
22	2,021,441	17,746	225,559	1,813,628		20		22
23								23
24				(20)	721.5 Total Sch. 310A Total			24
25				378,457				25
26				2,192,065				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.

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	15,334		462			15,796	2
3	Central Transfer and Storage Co.	16					16	3
4	Meridian Speedway, LLC	(17,898)		(2,159)			(20,057)	4
5	Peoria and Pekin Union Rwy.	(273)	(691)	578			(386)	5
6	TTX Company	376,104		7,082			383,186	6
7	Winston-Salem Southbound Rwy.	5,541		(117)			5,424	7
8	Woodstock and Blocton Rwy. Co.	2	(6)	6			2	8
9	Pan Am Southern, LLC	(249)		1,999			1,750	9
10								10
11	Total Carriers	378,633	(697)	7,851			385,787	11
12								12
	Noncarriers (List specifics for each company)							
14	PTC 220, LLC	(35)		(362)			(397)	14
15	Meteorcomm, LLC	(3,832)		(4,872)			(8,704)	15
16	Roanoke Valley Development Corporation	-		1,771			1,771	16
17								17
18	Total Noncarriers	(3,867)		(3,463)			(7,330)	18
19								19
20	Total Equity*	374,766	(697)	4,388			378,457	20
21								21

NOTE:

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.

Dividends received are accounted (in column (c)) as a reduction in the investment carrying value.

* Actual equity earnings, as reported on Schedule 210, Line 26 Column (b) are (\$3,574). 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 \$14,552 and adjustments to Other Comprehensive Income and Retained Earnings equals (\$6,590).

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

(Dollars in Thousands)

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

655,948	Schedule 410, Lines 136 - 138, Column (h)
4,852	Shop Machinery Schedule 335, Line 26, column(c)
11,119	Depreciation capitalized
<u>671,919</u>	Total
654,301	Schedule 335, Line 30, Column (c)
-	Schedule 339, Line 41, Column (c)
17,618	Schedule 342, Line 29, Column (c)
<u>671,919</u>	Total

Equipment (Column (c))

313,996	Schedule 410, Sum of lines 213,232,317, Column (h)
(4,852)	Shop Machinery
-	Other
<u>309,144</u>	Total
308,567	Schedule 335, Line 40, Column (c)
577	Schedule 342, Line 38, Column (c)
<u>309,144</u>	

Schedule 342 (Column (c))

17,618	Road
577	Equipment
<u>18,195</u>	Schedule 342, Line 39

Reconciliation of Accumulated Depreciation and Amortization to Schedule 200

9,707,374	Schedule 335, Line 41, Column (g)
294,933	Schedule 342, Line 39, Column (g)
<u>10,002,307</u>	
<u>10,002,307</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	2,066,320			1
2		(3) Grading	3,004,459			2
3		(4) Other, right-of-way expenditures	8,965			3
4		(5) Tunnels and subways	366,706			4
5		(6) Bridges, trestles, and culverts	2,419,772			5
6		(7) Elevated structures	42,555			6
7		(8) Ties	3,968,945			7
8		(9) Rail and other track material	5,490,767			8
9		(11) Ballast	2,010,045			9
10		(13) Fences, snow sheds, and signs	9,970			10
11		(16) Station and office buildings	659,555			11
12		(17) Roadway buildings	53,572			12
13		(18) Water stations	0			13
14		(19) Fuel stations	78,292			14
15		(20) Shops and enginehouses	304,762			15
16		(22) Storage warehouses	4,143			16
17		(23) Wharves and docks	4,702			17
18		(24) Coal and ore wharves	222,020			18
19		(25) TOFC/COFC terminals	593,058			19
20		(26) Communications systems	530,277			20
21		(27) Signals and interlocker	1,380,203			21
22		(29) Power plants	2,777			22
23		(31) Power-transmissions systems	41,631			23
24		(35) Miscellaneous structures	16,886			24
25		(37) Roadway machines	530,778			25
26		(39) Public improvements-Construction	358,521			26
27		(44) Shop machinery	129,793			27
28		(45) Power-plant machinery	15,287			28
29		Other (specify and explain)	0			29
30		TOTAL EXPENDITURES FOR ROAD	24,314,761			30
31		(52) Locomotives *	4,286,771			31
32		(53) Freight-train cars	3,008,298			32
33		(54) Passenger-train cars	0			33
34		(55) Highway revenue equipment	360,717			34
35		(56) Floating equipment	0			35
36		(57) Work equipment	144,426			36
37		(58) Miscellaneous equipment	227,132			37
38		(59) Computer systems and word processing equip	407,745			38
39		TOTAL EQUIPMENT	8,435,089			39
40		(76) Interest during construction	0			40
41		(80) Other elements of investment	0			41
42		(90) Construction in progress	549,855			42
43		GRAND TOTAL	33,299,705			43

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

Line No.	Cross Check	Expenditures for additions during the year (e)	Credits for property retired during the year (f)	Net changes during the year (g)	Balance at close of year (h)	Line No.
1		36,404	3,920	32,484	2,098,804	1
2		23,748	21,374	2,374	3,006,833	2
3		1,758	0	1,758	10,723	3
4		1,549	(1,730)	3,279	369,985	4
5		66,687	39,404	27,283	2,447,055	5
6		0	(27)	27	42,582	6
7		320,842	80,755	240,087	4,209,032	7
8		327,925	119,958	207,967	5,698,734	8
9		151,741	33,096	118,645	2,128,690	9
10		2,735	745	1,990	11,960	10
11		36,841	(6,941)	43,782	703,337	11
12		0	170	(170)	53,402	12
13		0	0	0	0	13
14		339	(36)	375	78,667	14
15		63,247	(4,491)	67,738	372,500	15
16		0	3,272	(3,272)	871	16
17		1,431	1,451	(20)	4,682	17
18		21,153	109	21,044	243,064	18
19		66,105	10,725	55,380	648,438	19
20		24,551	5,089	19,462	549,739	20
21		135,881	9,535	126,346	1,506,549	21
22		0	2	(2)	2,775	22
23		865	2,041	(1,176)	40,455	23
24		37	3,429	(3,392)	13,494	24
25		81,536	19,564	61,972	592,750	25
26		47,674	36,296	11,378	369,899	26
27		11,127	2,782	8,345	138,138	27
28		0	0	0	15,287	28
29		0	0	0	0	29
30		1,424,176	380,492	1,043,684	25,358,445	30
31		320,256	30,901	289,355	4,576,126	31
32		266,724	60,871	205,853	3,214,151	32
33		0	0	0	0	33
34		59,386	1,185	58,201	418,918	34
35		0	0	0	0	35
36		5,989	(13)	6,002	150,428	36
37		34,134	13,780	20,354	247,486	37
38		139,015	66,972	72,043	479,788	38
39		825,504	173,696	651,808	9,086,897	39
40		0	0	0	0	40
41		0	0	0	0	41
42		(11,348)	(38,918)	27,570	577,425	42
43		2,238,332	515,270	1,723,062	35,022,767	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)		
ROAD								
1	(3) Grading	2,949,763	2,966,749	1.05%				1
2	(4) Other, right-of-way expenditures	8,420	8,420	1.05%				2
3	(5) Tunnels and subways	366,397	369,610	0.83%				3
4	(6) Bridges, trestles, and culverts	2,374,773	2,399,104	1.04%				4
5	(7) Elevated structures*	42,555	42,582	6.49%				5
6	(8) Ties	3,756,145	3,976,212	4.36%				6
7	(9) Rail and other track material	5,056,075	5,230,063	2.39%				7
8	(11) Ballast	1,889,442	2,001,622	2.50%				8
9	(13) Fences, snow sheds, and signs	9,744	12,437	1.05%				9
10	(16) Station and office buildings	632,335	655,957	2.34%				10
11	(17) Roadway buildings	53,368	53,201	2.27%				11
12	(18) Water stations	0	0	0.00%				12
13	(19) Fuel stations	77,877	78,097	3.26%				13
14	(20) Shops and enginehouses	295,919	353,072	2.00%	NOT APPLICABLE - 5 % RULE			14
15	(22) Storage warehouses	4,143	871	2.50%				15
16	(23) Wharves and docks	4,701	4,660	3.33%				16
17	(24) Coal and ore wharves	222,020	234,541	2.60%				17
18	(25) TOFC/COFC terminals	589,666	629,821	3.09%				18
19	(26) Communications systems	526,324	534,634	3.84%				19
20	(27) Signals and interlocker	1,339,639	1,438,807	1.78%				20
21	(29) Power plants	2,774	2,774	2.86%				21
22	(31) Power-transmissions systems	41,010	39,862	2.22%				22
23	(35) Miscellaneous structures	16,421	12,926	2.50%				23
24	(37) Roadway machines	530,778	565,077	5.59%				24
25	(39) Public improvements-Construction	343,247	352,373	7.90%				25
26	(44) Shop machinery	129,793	134,260	3.27%				26
27	(45) Power-plant machinery	15,285	15,286	2.13%				27
28	All other road accounts	0	0	0.00%				28
29	Amortization (Adjustments)	0	0	0.00%				29
30	TOTAL ROAD	21,278,614	22,113,018	2.60%				30
EQUIPMENT								
31	(52) Locomotives	4,274,801	4,455,581	3.37%				31
32	(53) Freight-train cars	3,008,268	3,197,874	2.93%				32
33	(54) Passenger-train cars	0	0	0.00%				33
34	(55) Highway revenue equipment	360,717	418,388	6.84%				34
35	(56) Floating equipment	0	0	0.00%				35
36	(57) Work equipment	144,415	147,507	2.26%				36
37	(58) Miscellaneous equipment	227,131	240,751	7.74%				37
38	(59) Computer systems and word processing equipment	407,745	476,009	13.19%				38
39	TOTAL EQUIPMENT	8,423,077	8,936,110	4.00%				39
40	GRAND TOTAL	29,701,691	31,049,128	3.00%				40

* 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)		
ROAD									
1		(3) Grading	518,477	70,499		19,744		569,232	1
2		(4) Other, right-of-way expenditures	1,540	100		0		1,640	2
3		(5) Tunnels and subways	38,571	4,202		159		42,614	3
4		(6) Bridges, trestles, and culverts	324,142	38,546		34,112		328,576	4
5		(7) Elevated structures	31,866	2,802		2,417		32,251	5
6		(8) Ties	1,250,920	185,331		122,628		1,313,623	6
7		(9) Rail and other track material	1,452,502	132,480		52,029		1,532,953	7
8		(11) Ballast	366,647	51,891		31,535		387,003	8
9		(13) Fences, snow sheds, and signs	3,561	114		49		3,626	9
10		(16) Station and office buildings	209,863	15,892		(1,093)		226,848	10
11		(17) Roadway buildings	25,359	1,223		53		26,529	11
12		(18) Water stations	0	0		0		0	12
13		(19) Fuel stations	17,166	2,708		(5)		19,879	13
14		(20) Shops and enginehouses	96,099	6,404		127		102,376	14
15		(22) Storage warehouses	1,368	76		927		517	15
16		(23) Wharves and docks	1,859	164		109		1,914	16
17		(24) Coal and ore wharves	95,827	5,829		1,701		99,955	17
18		(25) TOFC/COFC terminals	138,650	19,016		5,318		152,348	18
19		(26) Communications systems	241,514	20,705		3,662		258,557	19
20		(27) Signals and interlocker	223,594	25,258		19,289		229,563	20
21		(29) Power plants	1,944	86		3		2,027	21
22		(31) Power-transmissions systems	12,185	929		467		12,647	22
23		(35) Miscellaneous structures	7,400	405		365		7,440	23
24		(37) Roadway machines	164,624	31,575		19,210		176,989	24
25		(39) Public improvements-Construction	51,867	26,258		35,812		42,313	25
26		(44) Shop machinery*	42,995	4,852		94		47,753	26
27		(45) Power-plant machinery	8,169	347		1		8,515	27
28		All other road accounts	0	0		0		0	28
29		Amortization (Adjustments)	222,883	6,609		0		229,492	29
30		TOTAL ROAD	5,551,592	654,301	0	348,713	0	5,857,180	30
EQUIPMENT									
31	*	(52) Locomotives	1,513,263	156,473		27,205		1,642,531	31
32	*	(53) Freight-train cars	1,296,336	91,912		34,922		1,353,226	32
33	*	(54) Passenger-train cars	0	0		0		0	33
34	*	(55) Highway revenue equipment	100,990	25,035		1,166		124,859	34
35	*	(56) Floating equipment	0	0		0		0	35
36	*	(57) Work equipment	48,683	3,317		6		51,994	36
37	*	(58) Miscellaneous equipment	72,074	18,227		11,912		78,389	37
38		(59) Computer systems and WP Equip.	236,292	65,573		66,575		235,290	38
39	*	Amortization Adjustments	415,775	(51,970)		0		363,805	39
40		TOTAL EQUIPMENT	3,683,413	308,567	0	141,786	0	3,850,194	40
41		GRAND TOTAL	9,235,005	962,868	0	490,499	0	9,707,374	41

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

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

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

Line No.	Account (a)	Balance at beginning of year (b)	CREDITS TO ACCOUNTS During the year		DEBITS TO ACCOUNTS During the year		Balance at close of year (g)	Line No.	
			Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)			
	ROAD								
1	(3) Grading							1	
2	(4) Other, right-of-way expenditures							2	
3	(5) Tunnels and subways							3	
4	(6) Bridges, trestles, and culverts							4	
5	(7) Elevated structures							5	
6	(8) Ties							6	
7	(9) Rail and other track material							7	
8	(11) Ballast							8	
9	(13) Fences, snow sheds, and signs							9	
10	(16) Station and office buildings							10	
11	(17) Roadway buildings							11	
12	(18) Water stations							12	
13	(19) Fuel stations		NOT APPLICABLE - 5 % RULE						13
14	(20) Shops and enginehouses							14	
15	(22) Storage warehouses							15	
16	(23) Wharves and docks							16	
17	(24) Coal and ore wharves							17	
18	(25) TOFC/COFC terminals							18	
19	(26) Communications systems							19	
20	(27) Signals and interlocker							20	
21	(29) Power plants							21	
22	(31) Power-transmissions systems							22	
23	(35) Miscellaneous structures							23	
24	(37) Roadway machines							24	
25	(39) Public improvements-Construction							25	
26	(44) Shop machinery*							26	
27	(45) Power-plant machinery							27	
28	All other road accounts							28	
29	Amortization (Adjustments)							29	
30	TOTAL ROAD							30	
	EQUIPMENT								
31	(52) Locomotives							31	
32	(53) Freight-train cars							32	
33	(54) Passenger-train cars							33	
34	(55) Highway revenue equipment							34	
35	(56) Floating equipment							35	
36	(57) Work equipment							36	
37	(58) Miscellaneous equipment							37	
38	(59) Computer systems and word processing equipment							38	
39	Amortization Adjustments							39	
40	TOTAL EQUIPMENT							40	
41	GRAND TOTAL	4,731	0	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)		
	ROAD				
1	(3) Grading				1
2	(4) Other, right-of-way expenditures				2
3	(5) Tunnels and subways				3
4	(6) Bridges, trestles, and culverts				4
5	(7) Elevated structures				5
6	(8) Ties				6
7	(9) Rail and other track material				7
8	(11) Ballast				8
9	(13) Fences, snow sheds, and signs				9
10	(16) Station and office buildings				10
11	(17) Roadway buildings				11
12	(18) Water stations				12
13	(19) Fuel stations				13
14	(20) Shops and enginehouses	NOT APPLICABLE - 5 % RULE			14
15	(22) Storage warehouses				15
16	(23) Wharves and docks				16
17	(24) Coal and ore wharves				17
18	(25) TOFC/COFC terminals				18
19	(26) Communications systems				19
20	(27) Signals and interlocker				20
21	(29) Power plants				21
22	(31) Power-transmissions systems				22
23	(35) Miscellaneous structures				23
24	(37) Roadway machines				24
25	(39) Public improvements-Construction				25
26	(44) Shop machinery*				26
27	(45) Power-plant machinery				27
28	All other road accounts				28
29	Amortization (Adjustments)				29
30	TOTAL ROAD				30
	EQUIPMENT				
31	(52) Locomotives				31
32	(53) Freight-train cars				32
33	(54) Passenger-train cars				33
34	(55) Highway revenue equipment				34
35	(56) Floating equipment				35
36	(57) Work equipment				36
37	(58) Miscellaneous equipment				37
38	(59) Computer systems and word processing equipment				38
39	Amortization Adjustments				39
40	TOTAL EQUIPMENT				40
41	GRAND TOTAL	743,029	776,215	2.84%	41

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

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

(Dollars in Thousands)

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

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO RESERVE During the year		DEBITS TO RESERVE During the year		Balance at close of year (g)	Line No.
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
		ROAD							
1		(3) Grading							1
2		(4) Other, right-of-way expenditures							2
3		(5) Tunnels and subways							3
4		(6) Bridges, trestles, and culverts							4
5		(7) Elevated structures							5
6		(8) Ties							6
7		(9) Rail and other track material							7
8		(11) Ballast							8
9		(13) Fences, snow sheds, and signs							9
10		(16) Station and office buildings							10
11		(17) Roadway buildings							11
12		(18) Water stations							12
13		(19) Fuel stations		NOT APPLICABLE - 5 % RULE					13
14		(20) Shops and enginehouses							14
15		(22) Storage warehouses							15
16		(23) Wharves and docks							16
17		(24) Coal and ore wharves							17
18		(25) TOFC/COFC terminals							18
19		(26) Communications systems							19
20		(27) Signals and interlocker							20
21		(29) Power plants							21
22		(31) Power-transmissions systems							22
23		(35) Miscellaneous structures							23
24		(37) Roadway machines							24
25		(39) Public improvements-Construction							25
26		(44) Shop machinery*							26
27		(45) Power-plant machinery							27
28		All other road accounts							28
29		TOTAL ROAD							29
		EQUIPMENT							
30		(52) Locomotives							30
31		(53) Freight-train cars							31
32		(54) Passenger-train cars							32
33		(55) Highway revenue equipment							33
34		(56) Floating equipment							34
35		(57) Work equipment							35
36		(58) Miscellaneous equipment							36
37		(59) Computer systems and WP equip.							37
38		TOTAL EQUIPMENT							38
39		GRAND TOTAL	303,589	18,195	0	26,851	0	294,933	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) from 6 (Bridges, trestles, and culverts)	272,527.66
3 (Grading) to 11 (Ballast)	(241,369.81)
3 (Grading) to 26 (Communications systems)	(234,515.45)
3 (Grading) to 35 (Miscellaneous structures)	(103,077.68)
3 (Grading) to 8 (Ties)	(464,506.34)
3 (Grading) to 9 (Rail and other track material)	(968,690.52)
5 (Tunnels and subways) from 6 (Bridges, trestles, and culverts)	1,898,632.38
6 (Bridges, trestles, and culverts) to 27 (Signals and interlocker)	(933,108.79)
6 (Bridges, trestles, and culverts) to 3 (Grading)	(272,527.66)
6 (Bridges, trestles, and culverts) to 39 (Public improvements-Construction)	(1,069,030.33)
6 (Bridges, trestles, and culverts) to 5 (Tunnels and subways)	(1,898,632.38)
6 (Bridges, trestles, and culverts) to 9 (Rail and other track material)	(125,025.30)
8 (Ties) from 3 (Grading)	464,506.34
8 (Ties) to 27 (Signals and interlocker)	(634,250.88)
9 (Rail and other track material) from 3 (Grading)	968,690.52
9 (Rail and other track material) from 6 (Bridges, trestles, and culverts)	125,025.30
9 (Rail and other track material) to 27 (Signals and interlocker)	(272,335.99)
11 (Ballast) from 3 (Grading)	241,369.81
11 (Ballast) to 27 (Signals and interlocker)	(928,500.00)
13 (Fences, snow sheds, and signs) to 25 (TOFC/COFC terminals)	(685,615.26)
16 (Station and office buildings) from 22 (Storage warehouses)	3,271,598.83
16 (Station and office buildings) from 26 (Communication systems)	1,938,366.59
16 (Station and office buildings) from 31 (Power-transmissions systems)	1,977,809.21
16 (Station and office buildings) from 35 (Miscellaneous structures)	1,372,395.38
17 (Roadway buildings) to 44 (Shop machinery)	(119,900.00)
20 (Shops and enginehouses) from 35 (Miscellaneous structures)	2,159,880.74
20 (Shops and enginehouses) from 44 (Shop machinery)	2,702,099.03
22 (Storage warehouses) to 16 (Station and office buildings)	(3,271,598.83)
23 (Wharves and docks) to 24 (Coal and ore wharves)	(1,411,019.43)
24 (Coal and ore wharves) from 23 (Wharves and docks)	1,411,019.43
24 (Coal and ore wharves) from 26 (Communication systems)	177,234.74
24 (Coal and ore wharves) from 44 (Shop machinery)	188,530.95
25 (TOFC/COFC terminals) from 13 (Fences, snow sheds, and signs)	685,615.26
25 (TOFC/COFC terminals) to 26 (Communication systems)	(157,009.69)
25 (TOFC/COFC terminals) to 27 (Signals and interlocker)	(5,570,596.38)
25 (TOFC/COFC terminals) to 59 (Computer systems and word processing equip)	(594,144.48)
26 (Communications systems) from 3 (Grading)	234,515.45
26 (Communications systems) to 16 (Station and office buildings)	(1,938,366.59)
26 (Communications systems) to 24 (Coal and ore wharves)	(177,234.74)
26 (Communications systems) to 25 (TOFC/COFC terminals)	157,009.69
26 (Communications systems) to 27 (Signals and interlocker)	(977,034.07)
27 (Signals and interlocker) from 11 (Ballast)	928,500.00
27 (Signals and interlocker) from 25 (TOFC/COFC terminals)	5,570,596.38
27 (Signals and interlocker) from 26 (Communications systems)	977,034.07
27 (Signals and interlocker) from 39 (Public improvements-Construction)	994,214.32
27 (Signals and interlocker) from 6 (Bridges, trestles, and culverts)	933,108.79
27 (Signals and interlocker) from 8 (Ties)	634,250.88
27 (Signals and interlocker) from 9 (Rail and other track material)	272,335.99
31 (Power-transmissions systems) to 16 (Station and office buildings)	(1,977,809.21)
35 (Miscellaneous structures) from 3 (Grading)	103,077.68
35 (Miscellaneous structures) to 16 (Station and office buildings)	(1,372,395.38)
35 (Miscellaneous structures) to 20 (Shops and enginehouses)	(2,159,880.74)
39 (Public improvements-Construction) from 6 (Bridges, trestles, and culverts)	1,069,030.33
39 (Public improvements-Construction) to 27 (Signals and interlocker)	(994,214.32)

NOTES AND REMARKS

SCHEDULE 330 (CONTINUED)

44 (Shop machinery) from 17 (Roadway buildings)	119,900.00
44 (Shop machinery) to 20 (Shops and enginehouses)	(2,702,099.03)
44 (Shop machinery) to 24 (Coal and ore wharves)	(188,530.95)
53 (Freight-train cars) to 57 (Work equipment)	(423,548.09)
57 (Work equipment) from 53 (Freight-train cars)	423,548.09
59 (Computer systems and word processing equip) from 25 (TOFC/COFC terminals)	594,144.48

SCHEDULE 332

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

RECONCILIATION TO SCHEDULE 412**Reconciliation of Amortization to Schedule 335**

Schedule 335, Line 29, Column (c)	6,609
Shop Machinery	465
Schedule 412, Line 29, Column (d)	<u>7,074</u> ¹

Reconciliation of Depreciation to Schedule 410

Schedule 410, Lines 136-138, Column (f)	655,948
Shop Machinery	465
Schedule 412, Line 29, Column (b)	<u>656,413</u> ²

¹ The total amortization expense reported in Schedule 335, Line 29, Column (c) includes amortization for all road accounts, including Shop Machinery 44. However, Schedule 412 does not provide a line for Shop Machinery 44. As such, this amount is a reconciling item between the two schedules.

² The total depreciation expense reported in Schedule 410, Lines 136-138, Column (f) includes amortization for all road accounts, including Shop Machinery 44. However, Schedule 412 does not provide a line for Shop Machinery 44. As such, this amount is a reconciling item between the two schedules.

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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)		
	ROADWAY				
1	(3) Grading				1
2	(4) Other, right-of-way expenditures				2
3	(5) Tunnels and subways				3
4	(6) Bridges, trestles, and culverts				4
5	(7) Elevated structures				5
6	(8) Ties				6
7	(9) Rail and other track material				7
8	(11) Ballast				8
9	(13) Fences, snow sheds, and signs				9
10	(16) Station and office buildings				10
11	(17) Roadway buildings				11
12	(18) Water stations				12
13	(19) Fuel stations				13
14	(20) Shops and enginehouses				14
15	(22) Storage warehouses				15
16	(23) Wharves and docks				16
17	(24) Coal and ore wharves				17
18	(25) TOFC/COFC terminals				18
19	(26) Communications systems				19
20	(27) Signals and interlocker				20
21	(29) Power plants				21
22	(31) Power-transmissions systems				22
23	(35) Miscellaneous structures				23
24	(37) Roadway machines				24
25	(39) Public improvements-Construction				25
26	(44) Shop machinery*				26
27	(45) Power-plant machinery				27
28	All other road accounts				28
29	TOTAL ROAD				29
	EQUIPMENT				
30	(52) Locomotives				30
31	(53) Freight-train cars				31
32	(54) Passenger-train cars				32
33	(55) Highway revenue equipment				33
34	(56) Floating equipment				34
35	(57) Work equipment				35
36	(58) Miscellaneous equipment				36
37	(59) Computer systems and WP equipment				37
38	TOTAL EQUIPMENT				38
39	GRAND TOTAL				39

Included in Schedule 332

351. ACCUMULATED DEPRECIATION - ROAD AND EQUIPMENT LEASED TO OTHERS

(Dollars in Thousands)

1. This schedule is to be used in cases where the depreciation reserve is carried in the accounts of the respondent and the rent therefrom is included in Accounts 32-11-00, 32-12-00, 32-13-00, 32-21-00, 32-22-00, and 32-23-00
2. Disclose credits and debits to Account 735, "Accumulated Depreciation -- Road and Equipment Property," during the year relating to road and equipment leased to others, the depreciation charges for which are not includible in operating expenses of the respondent (See Schedule 330 for the reserve relating to road and equipment owned and used by the respondent).
3. If any entries are made for column (d) "Other credits" or column (f) "Other debits," state the facts occasioning such entries on page 39. A debit balance in columns (b) or (g) for any primary account should be shown in parenthesis or designated "Dr."
4. Disclosures in the respective sections of this schedule may be omitted if either total road leased to others or total equipment leased from others represents less than 5% of total road owned or total equipment owned, respectively. However, line 39, Grand Total, should be completed.

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

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

Included in Schedule 335

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

(Dollars in Thousands)

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

Line No.	Class (See Ins. 2) (a)	Name of company (b)	Miles of road used (See Ins. 4) (whole number) (c)	Investments in property (See Ins. 5) (d)	Depreciation & amortization of defense projects (See Ins. 6) (e)	Line No.
1	R	Norfolk Southern Combined Railroad Subsidiaries	17,312	35,022,767	10,002,307	1
2						2
3	L	C & E I Railroad Company	2	0		3
4	L	Cincinnati Southern Railway	335	53,089		4
5	L	Pittsburgh & West Virginia Railroad	121	49,540	32,646	5
6	L	P & WV Subleased to Wheeling & Lake Erie	(121)	(49,540)	(32,646)	6
7		SUB-TOTAL	337	53,089	0	7
8						8
9	O	Baltimore & Ohio Railroad		53		9
10	O	Carolina Aluminum Company	11	674		10
11	O	Central Transfer & Storage		12		11
12	O	Chicago & Illinois Midland Railway Company	10	13		12
13	O	Georgia Railroad & Banking Company		2		13
14		SUB-TOTAL	21	754	0	14
15						15
16		Less Lines Leased to or Operated by Others				16
17	R	Aberdeen Carolina Western	104	14,907		17
18	R	Adrienne Blissfield Railroad	2	246		18
19	R	Aiken Railway Company	17	3,726		19
20	R	Athens Lines LLC	38	6,223		20
21	R	Autauga Northern Railway	42	17,432		21
22	R	BN Railroad	27	2,864		22
23	R	Buffalo & Pittsburgh Railroad	71	18,831		23
24	R	C & NC Railroad	22	2,477		24
25	R	C S X, Corp.	20	2,893		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	Carolina Coastal Railway	154	10,331		26
27	R	Central of Georgia	9	1,702		27
28	R	Central New York Railroad	123	63,694		28
29	R	Central Railroad Company of Indianapolis	38	5,862		29
30	R	Charleston, Blue Creek & Sanderson	27	8,703		30
31	R	Chattanooga Chickamauga Railway	19	2,163		31
32	R	Chesapeake & Albemarle Railway	77	10,211		32
33	R	Cleveland Commercial Railroad	24	26,045		33
34	R	Columbus & Chattahoochee Railroad	26	10,451		34
35	R	Commonwealth Railway Company	13	1,345		35
36	R	East Chattanooga Belt Railway	4	605		36
37	R	East Penn Railroad LLC	5	5,194		37
38	R	Eastern Shore Railroad	5	558		38
39	R	Elkhart & Western	23	7,678		39
40	R	Georgia & Florida Railway Company	58	7,559		40
41	R	Georgia Southwestern Railway	50	5,497		41
42	R	Grand Elk Railroad LLC	123	55,023		42
43	R	Great Walton Railroad Company	27	3,453		43
44	R	Hilton & Albany Railroad	53	18,890		44
45	R	Iowa Interstate	14	1,496		45
46	R	Jackson & Lansing Railroad	45	18,304		46
47	R	Lehigh Railway	56	45,116		47
48	R	Metra	33	3,540		48
49	R	Middletown & New Jersey Railroad LLC	36	21,044		49
50	R	Midwest Rail LLC	2	0		50
51	R	Ogeechee Railway	57	7,778		51
52	R	R J Corman Co. - Western Ohio Line	16	1,754		52
53	R	Railtex	72	10,675		53
54	R	South Carolina Central Railroad	79	10,379		54
55	R	West Tennessee Railway Company	138	19,958		55
56	R	Western New York & Pennsylvania Railroad Company	95	38,120		56
57	R	Yadkin Valley Railroad	93	8,776		57
58	R	SUB-TOTAL	1,937	501,503	0	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	15,733	34,575,107	10,002,307	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	2,041,179	5,493		1	1
2		(3) Grading	2,936,738	21,826		12	2
3		(4) Other, right-of-way expenditures	8,798	137		0	3
4		(5) Tunnels and subways	369,774	5,574		0	4
5		(6) Bridges, trestles, and culverts	2,396,729	10,687		71	5
6		(7) Elevated structures	42,582	0		0	6
7		(8) Ties	4,091,711	1,174		225	7
8		(9) Rail and other track material	5,566,044	5,884		337	8
9		(11) Ballast	2,067,648	2,156		97	9
10		(13) Fences, snow sheds, and signs	11,894	181		0	10
11		(16) Station and office buildings	702,345	1,288		0	11
12		(17) Roadway buildings	53,363	71		0	12
13		(18) Water stations	0	24		0	13
14		(19) Fuel stations	78,654	70		0	14
15		(20) Shops and enginehouses	372,384	47		0	15
16		(22) Storage warehouses	871	0		0	16
17		(23) Wharves and docks	4,682	0		0	17
18		(24) Coal and ore wharves	243,064	0		0	18
19		(25) TOFC/COFC terminals	647,984	0		0	19
20		(26) Communications systems	547,652	204		5	20
21		(27) Signals and interlocker	1,502,874	666		3	21
22		(29) Power plants	2,775	0		0	22
23		(31) Power-transmissions systems	40,342	0		0	23
24		(35) Miscellaneous structures	13,491	6		0	24
25		(37) Roadway machines	592,750	0		0	25
26		(39) Public improvements-Construction	367,189	1,445		3	26
27		(44) Shop machinery*	138,138	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	24,856,942	60,618	0	754	31
32		(52) Locomotives	4,576,126	0		0	32
33		(53) Freight-train cars	3,214,151	0		0	33
34		(54) Passenger-train cars	0	0		0	34
35		(55) Highway revenue equipment	418,918	0		0	35
36		(56) Floating equipment	0	0		0	36
37		(57) Work equipment	150,428	0		0	37
38		(58) Miscellaneous equipment	247,486	0		0	38
39		(59) Computer systems and word processing equip	479,788	0		0	39
40		TOTAL EQUIPMENT	9,086,897	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	577,425	0		0	43
44		GRAND TOTAL	34,521,264	53,089	0	754	44

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 410

Cross Checks

Schedule 410

Line 620, column (h) = Line 14, column (b)
 Line 620, column (f) = Line 14, column (d)
 Line 620, column (g) = Line 14, column (e)

Schedule 414

Line 231, column (f) = Line 19, columns (b) through (d)
 Line 230, column (f) = Line 19, columns (e) through (g)

Schedule 417

Line 507, column (f) = Line 1, column (j)
 Line 508, column (f) = Line 2, column (j)
 Line 509, column (f) = Line 3, column (j)
 Line 510, column (f) = Line 4, column (j)
 Line 511, column (f) = Line 5, column (j)
 Line 512, column (f) = Line 6, column (j)
 Line 513, column (f) = Line 7, column (j)
 Line 514, column (f) = Line 8, column (j)
 Line 515, column (f) = Line 9, column (j)
 Line 516, column (f) = Line 10, column (j)
 Line 517, column (f) = Line 11, column (j)

Schedule 210

Line 4, column (b) = Line 47, column (b)

Schedule 410

Lines 136 through 138, column (f)
 Lines 118 through 123, and 130
 through 135, column (f)

Lines 207, 208, 211, 212, column (f)
 Lines 226, 227, column (f)
 Lines 311, 312, 315, 316, column (f)

Line 213, column (f)
 Line 232, column (f)
 Line 317, column (f)

Line 202, 203, 216, column (f) , equal
 to or greater than, but variance cannot
 exceed line 216, column (f)

Lines 221, 222, 235, column (f), equal
 to or greater than, but variance cannot
 exceed line 235, column (f)

Lines 302 through 307 and 320, column (f)
 equal to or greater than, but variance
 cannot exceed line 320, column (f)

Schedule 412

= Line 29, column (b)
 = Line 29, column (c)

Schedule 415

= Lines 5, 38, column (f)
 = Lines 24, 39, column (f)
 = Lines 32, 35, 36, 37, 40, 41, column (f)
 And

Schedule 414

Minus line 24, columns (b) through (d)
 plus line 24, columns (e) through (g)

Schedule 415

= Lines 5, 38, columns (c) and (d)
 = Lines 24, 39, columns (c) and (d)
 = Lines 32, 35, 36, 37, 40, 41,
 columns (c) and (d)

Lines 5, 38, column (b)

Lines 24, 39, column (b)

Lines 32, 35, 36, 37, 40, 41, column (b)

410. RAILWAY OPERATING EXPENSES

(Dollars in Thousands)

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

Line No.	Cross Check	Name of railway operating expense account (a)	FREIGHT					Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)			
		WAY AND STRUCTURES:								
		ADMINISTRATION:								
1		Track	2,414	2,332	3,713	6,888	15,347		15,347	1
2		Bridge and Building	130	856	8,681	565	10,232		10,232	2
3		Signal	58	1,974	1,984	1,715	5,731		5,731	3
4		Communication	48	105	2,341	435	2,929		2,929	4
5		Other	2,977		5	19	3,001		3,001	5
		TOTAL ADMINISTRATION	5,627	5,267	16,724	9,622	37,240		37,240	
		REPAIR AND MAINTENANCE:								
6		Roadway - Running	20,322	565	27,625		48,512		48,512	6
7		Roadway - Switching	1,362	16	710		2,088		2,088	7
8		Tunnels and Subways - Running	3	1	136		140		140	8
9		Tunnels and Subways - Switching			9		9		9	9
10		Bridges and Culverts - Running	15,753	2,103	16,617	2,877	37,350		37,350	10
11		Bridges and Culverts - Switching	804	164	1,204	140	2,312		2,312	11
12		Ties - Running	2,881	7,817		285	10,983		10,983	12
13		Ties - Switching	127	326			453		453	13
14		Rail and Other Track Material - Running	45,518	29,454	31,465	12,141	118,578		118,578	14
15		Rail and Other Track Material - Switching	4,063	1,707	1,447	491	7,708		7,708	15
16		Ballast - Running	5,180	1,926	917	246	8,269		8,269	16
17		Ballast - Switching	300	122	55	12	489		489	17
18		Road Property Damaged - Running	3,502	3,891	4,430	16	11,839		11,839	18
19		Road Property Damaged - Switching								19
20		Road Property Damaged - Other	24	10	59		93		93	20
21		Signals and Interlockers - Running	21,749	17,710	11,800	4,338	55,597		55,597	21
22		Signals and Interlockers - Switching	2,446	707	20	55	3,228		3,228	22
23		Communications Systems	6,159	3,402	22,914	23	32,498		32,498	23
24		Power Systems	929	212			1,141		1,141	24
25		Highway Grade Crossings- Running	845	360	9,362	809	11,376		11,376	25
26		Highway Grade Crossings- Switching		55	117		172		172	26
27		Station and Office Buildings	1,078	2,997	13,591	24	17,690		17,690	27
28		Shop Buildings - Locomotives	2,871	1,197	9,583	9	13,660		13,660	28
29		Shop Buildings - Freight Cars	697	1,574	1,755		4,026	N/A	4,026	29
30		Shop Buildings - Other Equipment	28	52	77		157		157	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)			
		REPAIR AND MAINTENANCE - Continued:								
101		Locomotive Servicing Facilities	9	37	192		238		238	101
102		Miscellaneous Buildings and Structures	905	1,550	1,379		3,834		3,834	102
103		Coal Terminals	2,703	2,360	2,293	1	7,357	N/A	7,357	103
104		Ore Terminals						N/A		104
105		Other Marine Terminals						N/A		105
106		TOFC/COFC Terminals	166	3,324	5,300		8,790	N/A	8,790	106
107		Motor Vehicle Loading and Distribution Facilities			601		601	N/A	601	107
108		Facilities for Other Specialized Service Operations		848	1,287	49	2,184	N/A	2,184	108
109		Roadway Machines	8,678	23,651	2,305	892	35,526		35,526	109
110		Small Tools and Supplies		22,878	2,482		25,360		25,360	110
111		Snow Removal	2,776	144	2,944		5,864		5,864	111
112		Fringe Benefits - Running				152,632	152,632		152,632	112
113		Fringe Benefits - Switching				3,998	3,998		3,998	113
114		Fringe Benefits - Other				22,379	22,379		22,379	114
115		Casualties and Insurance - Running				35,157	35,157		35,157	115
116		Casualties and Insurance - Switching				1,284	1,284		1,284	116
117		Casualties and Insurance - Other				116	116		116	117
118	*	Lease Rentals - Debit- Running			38,623		38,623		38,623	118
119	*	Lease Rentals - Debit - Switching			135,830		135,830		135,830	119
120	*	Lease Rentals - Debit - Other			19,646		19,646		19,646	120
121	*	Lease Rentals - (Credit) - Running			(9,571)		(9,571)		(9,571)	121
122	*	Lease Rentals - (Credit) - Switching								122
123	*	Lease Rentals - (Credit) - Other								123
124		Joint Facility Rent - Debit - Running			5,081		5,081		5,081	124
125		Joint Facility Rent - Debit - Switching			1,392		1,392		1,392	125
126		Joint Facility Rent - Debit - Other			82		82		82	126
127	*	Joint Facility Rent - (Credit) - Running			(11,521)		(11,521)		(11,521)	127
128	*	Joint Facility Rent - (Credit) - Switching			(689)		(689)		(689)	128
129	*	Joint Facility Rent - (Credit) - Other			(2)		(2)		(2)	129
130	*	Other Rents - Debit -Running			5,024		5,024		5,024	130
131	*	Other Rents - Debit -Switching								131
132	*	Other Rents - Debit -Other			2,067		2,067		2,067	132
133	*	Other Rents - (Credit) -Running								133
134	*	Other Rents - (Credit) -Switching								134
135	*	Other Rents - (Credit) -Other			(1,271)		(1,271)		(1,271)	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				344,296	344,296		344,296	136
137	*	Depreciation - Switching				30,620	30,620		30,620	137
138	*	Depreciation - Other				281,032	281,032		281,032	138
139		Joint Facility - Debit - Running			49,570		49,570		49,570	139
140		Joint Facility - Debit - Switching			5,364		5,364		5,364	140
141		Joint Facility - Debit - Other			387		387		387	141
142		Joint Facility - (Credit) - Running			(40,433)		(40,433)		(40,433)	142
143		Joint Facility - (Credit) - Switching			(2,148)		(2,148)		(2,148)	143
144		Joint Facility - (Credit) - Other			(259)		(259)		(259)	144
145		Dismantling Retired Road Property - Running								145
146		Dismantling Retired Road Property - Switching								146
147		Dismantling Retired Road Property - Other								147
148		Other - Running	1,687	3	166	1,831	3,687		3,687	148
149		Other - Switching			18		18		18	149
150		Other - Other			2,875		2,875		2,875	150
		TOTAL REPAIR AND MAINTENANCE	153,565	131,163	372,907	895,753	1,553,388		1,553,388	
151		TOTAL WAY AND STRUCTURES	159,192	136,430	389,631	905,375	1,590,628		1,590,628	151
		EQUIPMENT:								
		LOCOMOTIVES:								
201		Administration	7,678	245	1,125	1,260	10,308		10,308	201
202	*	Repair and Maintenance	101,303	194,296	22,816	270	318,685		318,685	202
203	*	Machinery Repair	3,947	1,165	1,097		6,209		6,209	203
204		Equipment Damaged	95	70	4		169		169	204
205		Fringe Benefits				51,331	51,331		51,331	205
206		Other Casualties and Insurance				12,533	12,533		12,533	206
207	*	Lease Rentals - Debit			10,331		10,331		10,331	207
208	*	Lease Rentals - (Credit)			(6,050)		(6,050)		(6,050)	208
209		Joint Facility Rent - Debit								209
210	*	Joint Facility Rent - (Credit)								210
211	*	Other Rents - Debit			207		207		207	211
212	*	Other Rents - (Credit)								212
213	*	Depreciation				136,774	136,774		136,774	213
214		Joint Facility - Debit								214
215		Joint Facility - (Credit)								215
216	*	Repairs Billed to Others - (Credit)			(1,665)		(1,665)		(1,665)	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	7,917	11		5	7,933		7,933	218
219		TOTAL LOCOMOTIVES	120,940	195,787	27,865	202,173	546,765		546,765	219
220		FREIGHT CARS: Administration	4,631	1,014	4,062	2,214	11,921	N/A	11,921	220
221	*	Repair and Maintenance	51,804	66,800	63,331	339	182,274	N/A	182,274	221
222	*	Machinery Repair	713	529	4,323		5,565	N/A	5,565	222
223		Equipment Damaged	5,756	4,260			10,016	N/A	10,016	223
224		Fringe Benefits				25,499	25,499	N/A	25,499	224
225		Other Casualties and Insurance				8,054	8,054	N/A	8,054	225
226	*	Lease Rentals - Debit			39,555		39,555	N/A	39,555	226
227	*	Lease Rentals - (Credit)			(10,704)		(10,704)	N/A	(10,704)	227
228		Joint Facility Rent - Debit						N/A		228
229	*	Joint Facility Rent - (Credit)						N/A		229
230	*	Other Rents - Debit			388,481		388,481	N/A	388,481	230
231	*	Other Rents - (Credit)			(160,111)		(160,111)	N/A	(160,111)	231
232	*	Depreciation				71,796	71,796	N/A	71,796	232
233		Joint Facility - Debit						N/A		233
234		Joint Facility - (Credit)						N/A		234
235	*	Repairs Billed to Others - (Credit)			(49,672)		(49,672)	N/A	(49,672)	235
236		Dismantling Retired Property						N/A		236
237		Other	6,650	21,161		237	28,048	N/A	28,048	237
238		TOTAL FREIGHT CARS	69,554	93,764	279,265	108,139	550,722	N/A	550,722	238
301		OTHER EQUIPMENT: Administration		224	4	1,659	1,887		1,887	301
302	*	Repair and Maintenance: Trucks, Trailers and Containers - Revenue Service		4,098	46,855	88	51,041	N/A	51,041	302
303	*	Floating Equipment - Revenue Service						N/A		303
304	*	Passenger and Other Revenue Equipment								304
305	*	Computer Systems and Word Processing Equipment		858	54,476	116	55,450		55,450	305
306	*	Machinery	196	153	41		390		390	306
307	*	Work and Other Non-Revenue Equipment	327	386	18,850	18	19,581		19,581	307
308		Machinery								308
309		Fringe Benefits				3,409	3,409		3,409	309
310		Other Casualties and Insurance				562	562		562	310
311	*	Lease Rentals - Debit			22,460		22,460		22,460	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)			(195)		(195)		(195)	312
313		Joint Facility Rent - Debit			90		90		90	313
314	*	Joint Facility Rent - (Credit)			(43)		(43)		(43)	314
315	*	Other Rents - Debit			23,431		23,431		23,431	315
316	*	Other Rents - (Credit)			(23,922)		(23,922)		(23,922)	316
317	*	Depreciation				105,426	105,426		105,426	317
318		Joint Facility - Debit			58		58		58	318
319		Joint Facility - (Credit)								319
320	*	Repairs Billed to Others - (Credit)			(6,162)		(6,162)		(6,162)	320
321		Dismantling Retired Property								321
322		Other								322
323		TOTAL OTHER EQUIPMENT	523	5,719	135,943	111,278	253,463		253,463	323
324		TOTAL EQUIPMENT	191,017	295,270	443,073	421,590	1,350,950		1,350,950	324
		TRANSPORTATION: TRAIN OPERATIONS:								
401		Administration	6,821	3,613	6,971	9,288	26,693		26,693	401
402		Engine Crews	352,108	158	22,449	20,353	395,068		395,068	402
403		Train Crews	301,862	2,478	14,313	19,197	337,850		337,850	403
404		Dispatching Trains	42,131	30		69	42,230		42,230	404
405		Operating Signals and Interlockers	30,009	425	50	895	31,379		31,379	405
406		Operating Drawbridges	4,637			3	4,640		4,640	406
407		Highway Crossing Protection	764	101	3,334		4,199		4,199	407
408		Train Inspection and Lubrication	65,123	114			65,237		65,237	408
409	*	Locomotive Fuel		1,348,336			1,348,336		1,348,336	409
410		Electric Power Purchased or Produced for Motive Power								410
411		Servicing Locomotives	30,058	5,321	9,026	12	44,417		44,417	411
412		Freight Lost or Damaged - Solely Related								412
413		Clearing Wrecks	219	15	11,780		12,014		12,014	413
414		Fringe Benefits				336,471	336,471		336,471	414
415		Other Casualties and Insurance				42,038	42,038		42,038	415
416		Joint Facility - Debit			712		712		712	416
417		Joint Facility - (Credit)			(142)		(142)		(142)	417
418		Other	70	7	86,536	149	86,762		86,762	418
419		TOTAL TRAIN OPERATIONS	833,802	1,360,598	155,029	428,475	2,777,904		2,777,904	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)			
		YARD OPERATIONS:								
420		Administration	2,611	492	1,501	711	5,315		5,315	420
421		Switch Crews	181,753	1,149	25,350	974	209,226		209,226	421
422		Controlling Operations	32,075		54		32,129		32,129	422
423		Yard and Terminal Clerical	9,024	6,052	6,026	424	21,526		21,526	423
424		Operating Switches, Signals, Retarders and Humps		847	22		869		869	424
425	*	Locomotive Fuel		88,842			88,842		88,842	425
426		Electric Power Purchased or Produced for Motive Power								426
427		Servicing Locomotives	578			2	580		580	427
428		Freight Lost or Damaged - Soley Related								428
429		Clearing Wrecks	91				91		91	429
430		Fringe Benefits				100,662	100,662		100,662	430
431		Other Casualties and Insurance				11,569	11,569		11,569	431
432		Joint Facility - Debit			8,098		8,098		8,098	432
433		Joint Facility - (Credit)			(985)		(985)		(985)	433
434		Other			15		15		15	434
435		TOTAL YARD OPERATIONS	226,132	97,382	40,081	114,342	477,937		477,937	435
		TRAIN AND YARD OPERATIONS COMMON:								
501		Cleaning Car Interiors	579	2	626		1,207		1,207	501
502		Adjusting and Transferring Loads	75	2	278		355	N/A	355	502
503		Car Loading Devices and Grain Doors	1	1			2	N/A	2	503
504		Freight Lost or Damaged - All Other				18,108	18,108		18,108	504
505		Fringe Benefits				945	945		945	505
506		TOTAL TRAIN AND YARD OPERATIONS COMMON	655	5	904	19,053	20,617		20,617	506
		SPECIALIZED SERVICES OPERATIONS:								
507	*	Administration	26,572	1,306	13,022	1,561	42,461	N/A	42,461	507
508	*	Pickup and Delivery and Marine Line Haul	3,339	76,138	104,083	937	184,497	N/A	184,497	508
509	*	Loading and Unloading and Local Marine	6,343	3,749	309,756	69	319,917	N/A	319,917	509
510	*	Protective Services		812	332		1,144	N/A	1,144	510
511	*	Freight Lost or Damaged - Solely Related						N/A		511
512	*	Fringe Benefits				7,225	7,225	N/A	7,225	512
513	*	Casualties and Insurance				1,827	1,827	N/A	1,827	513
514	*	Joint Facility - Debit			1		1	N/A	1	514
515	*	Joint Facility - (Credit)						N/A		515
516	*	Other						N/A		516
517	*	TOTAL SPECIALIZED SERVICES OPERATIONS	36,254	82,005	427,194	11,619	557,072	N/A	557,072	517

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)			
		ADMINISTRATIVE SUPPORT OPERATIONS:								
518		Administration		173	1,812	771	2,756		2,756	518
519		Employees Performing Clerical and Accounting Functions	24,840	746	2,534	149	28,269		28,269	519
520		Communications Systems Operation	3,844	12		21	3,877		3,877	520
521		Loss and Damage Claims Processing			1,538	78	1,616		1,616	521
522		Fringe Benefits				12,961	12,961		12,961	522
523		Casualties and Insurance				1,564	1,564		1,564	523
524		Joint Facility - Debit								524
525		Joint Facility - (Credit)								525
526		Other								526
527		TOTAL ADMINISTRATIVE SUPPORT OPERATIONS	28,684	931	5,884	15,544	51,043		51,043	527
528		TOTAL TRANSPORTATION	1,125,527	1,540,921	629,092	589,033	3,884,573		3,884,573	528
		GENERAL AND ADMINISTRATIVE:								
601		Officers - General Administration	62	1,875	484	2,164	4,585		4,585	601
602		Accounting, Auditing and Finance	3,583	906	8,179	931	13,599		13,599	602
603		Management Services and Data Processing	2,602	1,201	30,313	1,159	35,275		35,275	603
604		Marketing	551	302	6,503	4,608	11,964		11,964	604
605		Sales		93	111	150	354		354	605
606		Industrial Development	54	103	133	206	496	N/A	496	606
607		Personnel and Labor Relations	235	1,262	12,714	7,500	21,711		21,711	607
608		Legal and Secretarial		377	50,130	3,306	53,813		53,813	608
609		Public Relations and Advertising		533	17,319	1,395	19,247		19,247	609
610		Research and Development								610
611		Fringe Benefits				3,058	3,058		3,058	611
612		Casualties and Insurance				2,564	2,564		2,564	612
613		Writedown of Uncollectible Accounts				5,976	5,976		5,976	613
614		Property Taxes				122,198	122,198		122,198	614
615		Other Taxes Except on Corporate Income or Payrolls				34,086	34,086		34,086	615
616		Joint Facility - Debit			4		4		4	616
617		Joint Facility - (Credit)								617
618		Other	1,214	2,428	817,778	166,371	987,791		987,791	618
619		TOTAL GENERAL AND ADMINISTRATIVE	8,301	9,080	943,668	355,672	1,316,721		1,316,721	619
620	*	TOTAL CARRIER OPERATING EXPENSES	1,484,037	1,981,701	2,405,464	2,271,670	8,142,872		8,142,872	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	68,035	19,729	(2,968)	2
3		4	Other, right-of-way expenditures	103	30	(3)	3
4		5	Tunnels and subways	4,142	1,201	(68)	4
5		6	Bridges, trestles, and culverts	38,592	11,191	(950)	5
6		7	Elevated structures	914	265	(1,888)	6
7		8	Ties	189,691	55,007	(269)	7
8		9	Rail and other track material	133,930	38,837	(4,751)	8
9		11	Ballast	53,995	15,658	(1)	9
10		13	Fences, snow sheds, and signs	110	32	(5)	10
11		16	Station and office buildings	14,681	4,257	(2,067)	11
12		17	Roadway buildings	1,032	300	(194)	12
13		18	Water stations	0	0	0	13
14		19	Fuel stations	2,732	792	12	14
15		20	Shops and enginehouses	6,340	1,839	(125)	15
16		22	Storage warehouses	59	17	(17)	16
17		23	Wharves and docks	163	47	(1)	17
18		24	Coal and ore wharves	5,683	1,648	(146)	18
19		25	TOFC/COFC terminals	17,821	5,168	(1,344)	19
20		26	Communications systems	18,289	5,303	(2,558)	20
21		27	Signals and interlocker	25,048	7,263	(1,012)	21
22		29	Power plants	34	10	(52)	22
23		31	Power-transmissions systems	843	244	(98)	23
24		35	Miscellaneous structures	360	104	(70)	24
25		37	Roadway machines	17,448	5,060	(3,008)	25
26		39	Public improvements-Construction	56,111	16,271	28,747	26
27		45	Power plant machines	257	75	(90)	27
28			Other lease/rentals				28
29	*		Total	656,413	190,348	7,074	29

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

(Dollars in Thousands)

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

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

Line No.	Cross Check	Type of Equipment (a)	GROSS AMOUNTS RECEIVABLE Per diem basis			GROSS AMOUNTS PAYABLE Per diem basis			Line No.
			Private line cars (b)	Mileage (c)	Time (d)	Private line cars (e)	Mileage (f)	Time (g)	
CAR TYPES									
1		Box-Plain 40 Foot							1
2		Box-Plain 50 Foot and Longer		308	865	17,142	1,739	6,800	2
3		Box-Equipped		9,115	28,895	146	10,353	38,357	3
4		Gondola-Plain		104	1,947	1,971	898	2,968	4
5		Gondola-Equipped		6,202	23,475	33	2,454	8,586	5
6		Hopper-Covered		1,317	9,162	5,253	4,061	13,558	6
7		Hopper-Open Top-General Service		65	1,894	2	258	580	7
8		Hopper-Open Top-Special Service		197	3,106	3	139	700	8
9		Refrigerator-Mechanical				11	999	2,933	9
10		Refrigerator-Non-Mechanical			1	5	659	1,203	10
11		Flat-TOFC/COFC		1	5,886	85,648	6,325	22,764	11
12		Flat-Multi-Level		642	34,651	59,432	2,509	22,216	12
13		Flat-General Service		62	132	242	96	48	13
14		Flat-Other		362	1,890	15,076	1,910	7,549	14
15		Tank-Under 22,000 Gallons				3,569			15
16		Tank-22,000 Gallons and Over				6,748			16
17		All Other Freight Cars		17	2,734	1	23	675	17
18		Auto Racks			27,081			31,839	18
19		TOTAL FREIGHT TRAIN CARS		18,392	141,719	195,282	32,423	160,776	19
OTHER FREIGHT CARRYING EQUIPMENT									
20		Refrigerated Trailers							20
21		Other Trailers							21
22		Refrigerated Containers							22
23		Other Containers			23,922	2,089		20,888	23
24	*	TOTAL TRAILERS AND CONTAINERS			23,922	2,089		20,888	24
25		GRAND TOTAL (LINES 19 AND 24)		18,392	165,641	197,371	32,423	181,664	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)		
		LOCOMOTIVES					
1		Diesel Locomotive - Yard	22,800	4,414		(441)	1
2		Diesel Locomotive - Road	294,220	129,041	1,103	(21,412)	2
3		Other Locomotive - Yard		62			3
4		Other Locomotive - Road					4
5	*	TOTAL	317,020	133,517	1,103	(21,853)	5
		FREIGHT TRAIN CARS					
6		Box - Plain 40 Foot					6
7		Box - Plain 50 Foot and Longer	745	21		(14)	7
8		Box - Equipped	32,021	6,297		(4,104)	8
9		Gondola - Plain	12,627	14,396		(5,044)	9
10		Gondola - Equipped	37,879	4,561		(2,303)	10
11		Hopper - Covered	15,384	6,662		(2,028)	11
12		Hopper - Open Top - General Service	7,582	11,965	25	(3,249)	12
13		Hopper - Open Top - Special Service	3,155	4,691		(1,282)	13
14		Refrigerator - Mechanical	114				14
15		Refrigerator - Nonmechanical	87				15
16		Flat TOFC/COFC	1,790	47		(51)	16
17		Flat Multi - level	2,593	899		(224)	17
18		Flat - General Service	3,136	40		(31)	18
19		Flat - Other	7,978	1,043		(570)	19
20		All Other Freight Cars	3,811	2,138		(58)	20
21		Cabooses	166	125		(55)	21
22		Auto Racks	3,534	16,201		(2,079)	22
23		Miscellaneous Accessories (see note 4)		1,539		(170)	23
24	*	TOTAL FREIGHT TRAIN CARS	132,602	70,625	25	(21,262)	24
		OTHER EQUIPMENT - REVENUE					
25		FREIGHT HIGHWAY EQUIPMENT Refrigerated Trailers		84			25
26		Other Trailers	1,977	8,255		(2,008)	26
27		Refrigerated Containers					27
28		Other Containers	9,455	5,707			28
29		Bogies					29
30		Chassis	33,447	8,981			30
31		Other Highway Equipment (Freight)					31
32	*	TOTAL HIGHWAY EQUIPMENT	44,879	23,027		(2,008)	32
		FLOATING EQUIPMENT - REVENUE SERVICE					
33		Marine Line - Haul					33
34		Local Marine					34
35	*	TOTAL FLOATING EQUIPMENT					35
		OTHER EQUIPMENT					
36	*	Passenger & Other Revenue Equipment (Freight Portion)					36
37	*	Computer systems & word processing equip.	55,450	60,526		(5,047)	37
38	*	Machinery - Locomotives (see notes 1, 5, 6)	6,209	1,577			38
39	*	Machinery - Freight Cars (see notes 2, 5, 6)	5,565	1,146			39
40	*	Machinery - Other Equipment (see notes 3, 5, 6)	390	2,129			40
41	*	Work & Other Non - revenue Equipment	19,581	19,744		(1,800)	41
42		TOTAL OTHER EQUIPMENT	87,195	85,122		(6,847)	42
43		TOTAL ALL EQUIPMENT (FREIGHT PORTION)	581,696	312,291	1,128	(51,970)	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			129,072		59,995		1
2		1,807	4,437,278	5,024	1,580,667	1,664	2
3			2,060		205		3
4							4
5		1,807	4,568,410	5,024	1,640,867	1,664	5
6							6
7			1,252		778		7
8		1,815	424,255		224,392		8
9			726,125		300,240		9
10		5,430	409,108		144,818		10
11		608	411,387		142,276		11
12		2,390	498,067	940	178,949	238	12
13			212,482		86,853		13
14							14
15							15
16		(10,583)	3,386		2,627		16
17		28,592	25,674		11,221		17
18			3,179		1,976		18
19			72,640		36,767		19
20			63,000		36,772		20
21			5,025		3,326		21
22		599	345,575		172,258		22
23			12,026		9,835		23
24		28,851	3,213,181	940	1,353,088	238	24
25			1,083		604		25
26		21,923	178,445		104,897		26
27							27
28		(334)	89,101		8,285		28
29							29
30			150,289		11,073		30
31							31
32		21,589	418,918		124,859		32
33							33
34							34
35							35
36							36
37			479,788		235,290		37
38		207	44,898		15,521		38
39			32,627		11,279		39
40			60,613		20,953		40
41		1,130	397,914		130,383		41
42		1,337	1,015,840		413,426		42
43		53,584	9,216,349	5,964	3,532,240	1,902	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.

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)		
1		LOCOMOTIVES Diesel Locomotive - Yard					1
2		Diesel Locomotive - Road		577			2
3		Other Locomotive - Yard					3
4		Other Locomotive - Road					4
5	*	TOTAL		577			5
6		FREIGHT TRAIN CARS 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
25		OTHER EQUIPMENT - REVENUE FREIGHT HIGHWAY EQUIPMENT Refrigerated Trailers					25
26		Other Trailers					26
27		Refrigerated Containers					27
28		Other Containers					28
29		Bogies					29
30		Chassis					30
31		Other Highway Equipment (Freight)					31
32	*	TOTAL HIGHWAY EQUIPMENT					32
33		FLOATING EQUIPMENT - REVENUE SERVICE Marine Line - Haul					33
34		Local Marine					34
35	*	TOTAL FLOATING EQUIPMENT					35
36	*	OTHER EQUIPMENT Passenger & 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)		577			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		2,474	2,692		2,260		2
3							3
4							4
5		2,474	2,692		2,260		5
6							6
7							7
8							8
9							9
10			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			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		2,474	2,722		2,290		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.

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	1,332,091	250,624	1.05%							1,332,091	250,624	1
2		8	1,515,728	497,335	4.36%							1,515,728	497,335	2
3		9	2,105,332	588,817	2.53%							2,105,332	588,817	3
4		11	787,925	158,517	2.50%							787,925	158,517	4
5	SUB-TOTAL		5,741,076	1,495,293								5,741,076	1,495,293	5
6	II	3	1,189,187	223,758	1.05%							1,189,187	223,758	6
7		8	2,011,284	659,828	4.36%							2,011,284	659,828	7
8		9	2,670,350	746,870	2.32%							2,670,350	746,870	8
9		11	995,980	200,360	2.50%							995,980	200,360	9
10	SUB-TOTAL		6,866,801	1,830,816								6,866,801	1,830,816	10
11	III	3	19,554	N/A	N/A		N/A	N/A		N/A	N/A	19,554	N/A	11
12		8	36,601	N/A	N/A		N/A	N/A		N/A	N/A	36,601	N/A	12
13		9	36,372	N/A	N/A		N/A	N/A		N/A	N/A	36,372	N/A	13
14		11	12,625	N/A	N/A		N/A	N/A		N/A	N/A	12,625	N/A	14
15	SUB-TOTAL		105,152				N/A	N/A		N/A	N/A	105,152	N/A	15
16	IV	3	466,001	87,682	1.05%							466,001	87,682	16
17		8	645,419	211,775	4.36%							645,419	211,775	17
18		9	886,680	248,007	2.18%							886,680	248,007	18
19		11	332,160	66,787	2.50%							332,160	66,787	19
20	SUB-TOTAL		2,330,260	614,251								2,330,260	614,251	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		15,043,289	3,940,360	N/A			N/A				15,043,289	3,940,360	26

- (1) Columns (c) + (f) + (i) = Column (l)
 Columns (d) + (g) + (k) = Column (m)
- (2) The base grand total for owned and used, improvements to leased property, and capitalized leases should equal the sum of Accounts 3, 8, 9, and 11 shown at year end on Schedule 330.

NOTES AND REMARKS

417. SPECIALIZED SERVICE SUBSCHEDULE - TRANSPORTATION

(Dollars in Thousands)

1. Report freight expenses only.
2. Report in Lines 1, 2, 3, 4, and 10 the total of those natural expenses (salaries and wages, material, tools, supplies, fuels and lubricants, purchased services, and general) incurred in the operation of each type of specialized service facility. This schedule does not include switching services performed by train and yard crews in connection with or within specialized service facilities.
3. When it is necessary to apportion expenses, 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	40,973		1,344			5		139	42,461	1
2		Pick up and delivery, marine line haul	171,604		2,227			105		10,561	184,497	2
3		Loading and unloading and local marine	254,418		11,028			51,887		2,584	319,917	3
4		Protective services, total debit and credits							1,144		1,144	4
5	*	Freight lost or damaged—solely related									0	5
6		Fringe benefits	5,780		1,445						7,225	6
7		Casualty and insurance	1,827								1,827	7
8		Joint facility — Debit	1								1	8
9		Joint facility — Credit									0	9
10	*	Other									0	10
11		TOTAL	474,603	0	16,044	0	0	51,997	1,144	13,284	557,072	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	2,447,055	2,213	23	188
ACCT 09-Rail and other track material	5,698,734	560	28	476
ACCT 52-Locomotives	4,576,126	5,024	1,103	1,664
ACCT 53-Freight Cars	3,214,151	940	25	238

NOTES AND REMARKS

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450. ANALYSIS OF TAXES
(Dollars in Thousands)

A. Railway Taxes

Line No.	Cross Check	Kind of tax	Amount	Line No.
1		Other than U.S. Government Taxes	229,185	1
		U. S. Government Taxes		
		Income Taxes		
2		Normal Tax and Surtax	669,693	2
3		Excess Profits		3
4	*	Total - Income Taxes L 2 + 3	669,693	4
5		Railroad Retirement	375,032	5
6		Hospital Insurance	34,074	6
7		Supplemental Annuities		7
8		Unemployment Insurance	19,475	8
9		All Other United States Taxes		9
10		Total - U. S. Government Taxes	1,098,274	10
11		Total - Railway Taxes	1,327,459	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	7,667,950	290,738		7,958,688	5
6	Other (Specify) -- Tax Benefit Transfer Leases	20,836	(1,179)		19,657	6
7	Reserves, including casualty & other claims	(142,611)	5,486		(137,125)	7
8	Compensation and Benefits	(436,336)	600	(43,911)	(479,647)	8
9	Miscellaneous	165,715	14,085	(2,413)	177,387	9
10	Unrealized Holding Gains	527,792	0	(81,171)	446,621	10
11						11
12						12
13						13
14						14
15						15
16						16
17						17
18						18
19	TOTALS	7,803,346	309,730	(127,495)	7,985,581	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	4,736		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 provided on January 7, 2013.

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 Burlington Northern Santa Fe Railway, CSX Transportation, Inc., Canadian National Railway and Union Pacific Railroad				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.

We have outstanding letters of credit in the amount of \$8.3 million, with various banks, under which no borrowings were outstanding as of December 31, 2012.

We have 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, we received \$300 million and repaid \$200 million in 2012. At December 31, 2012 and 2011, respectively, the amounts outstanding under the facility were \$300 million at an average variable interest rate of 1.28% and \$200 million at an average variable interest rate of 1.35%. Our 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 \$200 million and \$100 million outstanding at December 31, 2012 and 2011, 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 2012 to run until October 2013.

NOTES AND REMARKS

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510. SEPARATION OF DEBTHOLDINGS BETWEEN ROAD PROPERTY AND EQUIPMENT

(Dollars in Thousands)

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

I. Debt Outstanding at End of Year:

Line No.	Account No.	Title	Source	Balance at Close of Year
1	751	Loans and Notes Payable	Sch. 200, L. 30	200,000
2	764	Equipment Obligations and Other Long Term Debt due Within One Year	Sch. 200, L. 39	49,799
3	765/767	Funded Debt Unmatured	Sch. 200, L. 41	551,826
4	766	Equipment Obligations	Sch. 200, L. 42	14,710
5	766.5	Capitalized Lease Obligations	Sch. 200, L. 43	2,087
6	768	Debt in Default	Sch. 200, L. 44	
7	769	Accounts Payable; Affiliated Companies	Sch. 200, L. 45	3,208,500
8	770.1/770.2	Unamortized Debt Premium	Sch. 200, L. 46	94,657
9		Total Debt	Sum L. 1-8	4,121,579
10		Debt Directly Related to Road Property	Note 1.	29,493
11		Debt Directly Related to Equipment	Note 1.	39,953
12		Total Debt Directly Related to Road & Equipment	Sum L. 10 and 11	69,446
13		Percent Directly Related to Road	L. 10 div. by L. 12 Whole % + 2 decimals	42.47%
14		Percent Directly Related to Equipment	L. 11 div. by L. 12 Whole % + 2 decimals	57.53%
15		Debt Not Directly Related to Road or Equipment	L. 9 - L. 12	4,052,133
16		Road Property Debt (Note 2)	(L. 13 x L. 15) + L. 10	1,750,434
17		Equipment Debt (Note 2)	(L. 14 x L. 15) + L. 11	2,371,145

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	194,474
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	194,474
22		Interest Directly Related to Road Property Debt	Note 4	1,579
23		Interest Directly Related to Equipment Debt	Note 4	3,362
24		Interest Not Directly Related to Road or Equipment Property Debt	L. 21 - (L. 22 + L. 23)	189,533 *
25		Interest Road Property Debt (Note 5)	L. 22 + (L. 24 x L. 13)	82,074
26		Interest Equipment Debt (Note 5)	L. 23 + (L. 24 x L. 14)	112,400
27		Embedded Rate of Debt Capital - Road Property	L. 25 div. by L. 16	4.69%
28		Embedded Rate of Debt Capital - Equipment	L. 26 div. by L. 17	4.74%

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 \$20,150. 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%	15,364	2,604	168	1,991	2,503	5,705	28,335	1
2	1	50%	7	5		5	15	13	45	2
3	1	33%	4	3		4		5	16	3
4	1J	75%						7	7	4
5	1J	67%						4	4	5
6	1J	50%				1	12	24	37	6
7	1J	33%					3	1	4	7
8										8
9		Total Class 1	15,375	2,612	168	2,001	2,533	5,759	28,448	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	80	671	14
15	3BJ	50%				1		5	6	15
16										16
17		Total Class 3	360	180	4	33	52	87	716	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	589	348	101	527	6,944	27
28										28
29		Total Class 5	4,271	1,108	589	348	101	527	6,944	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	20,023	3,900	761	2,382	2,688	6,406	36,160	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	1,212				92	1,304	89		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	1,712				9	1,721	352		6
7		Illinois	842				413	1,255	63		7
8		Indiana	1,219		2		265	1,486	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	1,799		10			398	2,207	26	20
21		Pennsylvania	1,636				5	637	2,278	191	21
22		South Carolina	658					104	762	37	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)	15,375		360		17	4,271	20,023	1,937	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	2,537	60		26	18	46	2,595		2,595	(HP) 10,402,600		1
2		Diesel-passenger units												2
3		Diesel-multiple purpose units	1,218			4	62	79	1,126	79	1,205	3,107,000	42	3
4		Diesel-switching units	119					13	106		106	160,900	3	4
5	*	TOTAL (lines 1 to 4) units	3,874	60		30	80	138	3,827	79	3,906	13,670,500	45	5
6	*	Electric-locomotives												6
7	*	Other self-powered units	1						1		1	1,350		7
8	*	TOTAL (lines 5, 6 and 7)	3,875	60		30	80	138	3,828	79	3,907	13,671,850	45	8
9	*	Auxiliary units	116			13		7	122		122	N/A		9
10	*	TOTAL LOCOMOTIVE UNITS (lines 8 and 9)	3,991	60		43	80	145	3,950	79	4,029	13,671,850	45	10

* 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)	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)	During Calendar Year					TOTAL (l)	Line No.	
								2010 (g)	2011 (h)	2012 (i)	2013 (j)	2014 (k)			
11	*	Diesel	1,568	407	713	664	362	42	90	60				3,906	11
12	*	Electric													12
13	*	Other self-powered units	1											1	13
14	*	TOTAL (lines 11 to 13)	1,569	407	713	664	362	42	90	60				3,907	14
15	*	Auxiliary units	121	1										122	15
16	*	TOTAL LOCOMOTIVE UNITS (Lines 14 and 15)	1,690	408	713	664	362	42	90	60				4,029	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)	272				3	1	274		274	N/A		31
32		Derrick and snow removal cars (MWU, MWV, MWW, MWK)	277					1	276		276	N/A		32
33		Dump and ballast cars (MWB, MWD)	782					5	467	310	777	N/A		33
34		Other maintenance and service equipment cars	3,375				90	22	3,440	3	3,443	N/A		34
35		TOTAL (lines 30 to 34)	4,732				93	29	4,483	313	4,796	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 __)	504						37
38		Equipped box cars (All Code A, Except A_5_)	13,996					50	38
39		Plain gondola cars (All Codes G & J __1, J __2, J __3, J __4)	17,406		1,500			1,394	39
40		Equipped gondola cars (All Code E)	17,897		325			370	40
41		Covered hopper cars (C __1, C __2, C __3, C __4)	11,304			60			41
42		Open top hopper cars - general service (All Code H)	13,999					269	42
43		Open top hopper cars - special service (J __O, and All Code K)	4,278		200				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 __)	1,184					11	46
47		Flat cars - multi-level (All Code V)	437					55	47
48		Flat cars - general service (F10 __, F20 __, F30 __)	126						48
49		Flat cars - other (F_1 __, F_2 __, F_3 __, F_4 __, F_5 __, F_6 __, F_8 __, F40 __)	1,884					13	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)		20					51
52		All other freight cars (A_5 __, F_7 __, All Code L and Q8 __)	4,443						52
53		TOTAL (lines 36 to 52)	87,458	20	2,025	60		2,162	53
54		Caboose (All Code M-930)	N/A	165					54
55		TOTAL (lines 53, 54)	87,458	185	2,025	60		2,162	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		1	38	465	503		52,060	37	
38		723	12,318	1,005	13,323		1,099,761	38	
39		670	19,630		19,630		2,251,995	39	
40		563	14,190	3,839	18,029		1,846,835	40	
41		648	10,558	158	10,716		1,182,466	41	
42		2,773	10,974	521	11,495		1,273,493	42	
43		218	4,260		4,260		464,143	43	
44								44	
45								45	
46		25	147	1,023	1,170		123,434	46	
47		13	369	110	479		22,860	47	
48		3	123		123		9,786	48	
49		30	1,867		1,867		179,116	49	
50								50	
51		1	4	15		19	1,883	51	
52		1	4,442		4,442		219,656	52	
53		5,669	78,920	7,136	86,037	19	8,727,488	53	
54		3	162		N/A	162	N/A	54	
55		5,672	79,082	7,136	86,037	181	8,727,488	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_)		17,694	2,976				59
60		Dry van (U_2_, Z_, Z_6_, 1-6)		21,638	1,155			1	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)		39,415	4,131			1	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		301	11,532	8,837		20,369			59
60		94	14,494	8,206		22,700	621,277		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		395	26,109	17,043		43,152	622,589		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	Diesel-Freight Units 6-Axle 4,200-4,400 HP	60	12,960	153,408	P	1
2	Steel 400 CU FT Covered Coil Equipped Gondolas (GBSR)	325	10,126	32,516	P	2
3	Steel 4,080 CU FT Hybrid Coal Gondolas (GT)	1,500	36,329	106,849	P	3
4	Steel 2,430 CU FT Special Service Aggregate Hoppers (HTS)	200	5,587	17,395	P	4
5	53' Domestic Chassis (Z)	2,976	11,160	38,077	P	5
6	53' Steel Domestic Container (U)	1,146	5,957	12,658	P	6
7	Mark V Duraplate 53' Roadrailer Dry Vans (Z)	9	74	271	P	7
8						8
9						9
10						10
11						11
12						12
13						13
14						14
15						15
16						16
17						17
18						18
19						19
20						20
21						21
22						22
23						23
24						24
25	TOTAL	6,216	82,193	361,174	N/A	25

REBUILT UNITS

26	Diesel-Freight Units 6- Axle 4,000 HP	6	1,290	12,855	C	26
27	Diesel-Freight Units 6-Axle 3,800 HP	20	4,120	24,552	S	27
28	Diesel-Multipurpose Units 6-Axle 3,000 HP	4	780	3,808	S	28
29	Auxiliary Units 6-Axle	13	1,807	9,572	S	29
30						30
31						31
32						32
33						33
34						34
35						35
36						36
37						37
38	TOTAL	43	7,997	50,787	N/A	38
39	GRAND TOTAL	6,259	90,190	411,961	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	8,601	39.31	53.11	24	1
2	B	6,905	12.24	45.77	95	2
3	C	2,575	2.82	31.78	108	3
4	D	2,669	0.29	20.33	316	4
5	E	8,466	N/A	N/A	N/A	5
6	TOTAL	29,216	20.78	43.82	543	6
7	F	3,526	N/A	N/A	N/A	7
8	Potential abandonments	0				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	1,395,524				22,870			1,418,394	3,182,350	0.4	1
2	B	598,653				40,486			639,139	2,067,629	1.6	2
3	C	279,762				49,059			328,821	1,053,245	3.8	3
4	D	163,075				55,373			218,448	718,202	6.4	4
5	E	218,813			13,142	194,381			426,336	2,744,503	11.2	5
6	TOTAL	2,655,827			13,142	362,169			3,031,138	9,765,929	3.1	6
7	F											7
8	Potential abandonments											8
9	Average cost per crosstie	\$44.47	and switchtie (MBM)	\$1,129.69								

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	21,854	\$45.15	\$987	40,551	\$1,116.40	\$45	New Wood Ties	1	
2									2	
3	S	17,923	\$86.40	\$1,548	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	39,777		\$2,535	40,551		\$45		20	
21	Number of miles of new running, passing tracks, cross-overs, etc., in which ties were laid —								2.32	21
22	Number of miles of new yard, station, team, industry, and other switching tracks in which ties were laid —								9.90	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	547.97	12.28	41.88	1.84	589.85	14.12	3.01	1
2	B	149.47	3.35	50.19	2.20	199.66	5.55	3.48	2
3	C	3.99	0.09	31.99	1.41	35.98	1.50	5.13	3
4	D	0.15	0.00	24.49	1.08	24.64	1.08	5.40	4
5	E	0.00	0.00	110.41	4.85	110.41	4.85	5.41	5
6	TOTAL	701.58	15.72	258.96	11.38	960.54	27.10	3.53	6
7	F								7
8	Potential Abandonments								8
9	Average cost of new and relay rail laid in replacement per gross ton:			New	\$961	Relay	\$109		9

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

(Dollars in Thousands)

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

RAIL APPLIED IN RUNNING TRACKS, PASSING TRACKS, CROSS-OVERS, ETC.						RAIL APPLIED IN YARD, STATION, TEAM, INDUSTRY AND OTHER SWITCHING TRACKS				Line No.	
Line No.	Class of rail	Weight of rail		Total cost of rail applied in running tracks, passing tracks cross-overs, etc., during year	Average cost per ton (2,000 lb)	Weight of rail		Total cost of rail applied in yard, station, team, industry, and other switching tracks during year	Average cost per ton (2,000 lb)		
		Pounds per yard of rail	Number of tons (2,000 lb)			Pounds per yard of rail	Number of tons (2,000 lb)				
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)		
1										1	
2	4	132	539	72	134	132	339	45	134	2	
3										3	
4	1	136				136	1,166	1,027	881	4	
5	4	136				136	853	72	84	5	
6										6	
7										7	
8										8	
9										9	
10										10	
11										11	
12										12	
13										13	
14										14	
15										15	
16										16	
17										17	
18										18	
19										19	
20										20	
21										21	
22										22	
23										23	
24										24	
25										25	
26										26	
27										27	
28										28	
29										29	
30										30	
31										31	
32										32	
33	TOTAL	N/A	539	\$72		N/A	2,358	\$1,144		33	
34	Number of miles of new running tracks, passing tracks, cross-overs, etc., in which rails were laid									2.32	34
35	Number of miles of new yard, station, team, industry, and other switching tracks in which rails were laid									9.90	35
36	Track-miles of welded rail installed on system this year: 11.98									Total to date: 22,183	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	774.64			2
3	105	74.24			3
4	110	50.63			4
5	112	589.00			5
6	115	950.97			6
7	119	9.20			7
8	127	470.14			8
9	130	511.73			9
10	131	964.81			10
11	132	9,066.92			11
12	133	137.55			12
13	136	3,588.82			13
14	140	990.98			14
15	141	389.46			15
16	152	75.90			16
17	155	50.31			17
18					18
19					19
20					20
21					21
22					22
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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	1,418,394	3,182,350	5.1	5.1	603.97	3.5	1,533,374	3,674.5	42.7	1
2	B	639,139	2,067,629	2.9	2.6	205.21	1.5	517,798	1,432.1	20.7	2
3	C	328,821	1,053,245	3.9	6.0	37.48	0.7	207,081	350.2	13.6	3
4	D	218,448	718,202	2.5	1.9	25.72	0.5	67,963	521.6	19.5	4
5	E	426,336	2,744,503	1.6	2.5	115.26	0.7	89,466	294.7	3.5	5
6	TOTAL	3,031,138	9,765,929	3.2	3.2	987.64	1.7	2,415,682	6,273.1	21.5	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	430,915,360	1
2	Passenger		2
3	Yard switching	28,393,058	3
4	TOTAL	459,308,418	4
5	COST OF FUEL \$(000)*	\$ 1,437,178	5
6	Work Train	3,158,015	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)	20,023		1
		2. TRAIN MILES - RUNNING (B)	XXXXXXXX	XXXXXX	
2		2-01 UNIT TRAINS	10,804,801	XXXXXX	2
3		2-02 WAY TRAINS	12,860,030	XXXXXX	3
4		2-03 THROUGH TRAINS	52,607,073		4
5		2-04 TOTAL TRAIN MILES (lines 2-4)	76,271,904		5
6		2-05 MOTORCARS (C)	0		6
7		2-06 TOTAL, ALL TRAINS (lines 5, 6)	76,271,904		7
		3. LOCOMOTIVE UNIT MILES (D)	XXXXXXXX	XXXXXX	
		ROAD SERVICE (E)	XXXXXXXX	XXXXXX	
8		3-01 UNIT TRAINS	26,086,032	XXXXXX	8
9		3-02 WAY TRAINS	22,551,186	XXXXXX	9
10		3-03 THROUGH TRAINS	125,340,679		10
11		3-04 TOTAL (lines 8-10)	173,977,897		11
12		3-11 TRAIN SWITCHING (F)	6,897,752	XXXXXX	12
13		3-21 YARD SWITCHING (G)	13,815,288		13
14		3-31 TOTAL ALL SERVICES (lines 11, 12, 13)	194,690,937		14
		4. FREIGHT CAR-MILES (thousands) (H)	XXXXXXXX	XXXXXX	
		4-01 RR OWNED AND LEASED - LOADED	XXXXXXXX	XXXXXX	
15		4-010 BOX-PLAIN 40-FOOT	0	XXXXXX	15
16		4-011 BOX-PLAIN 50-FOOT AND LONGER	6,816	XXXXXX	16
17		4-012 BOX-EQUIPPED	119,769	XXXXXX	17
18		4-013 GONDOLA-PLAIN	196,280	XXXXXX	18
19		4-014 GONDOLA-EQUIPPED	124,354	XXXXXX	19
20		4-015 HOPPER-COVERED	110,188	XXXXXX	20
21		4-016 HOPPER-O/T-GENERAL SERVICE	61,004	XXXXXX	21
22		4-017 HOPPER-O/T-SPECIAL SERVICE	17,601	XXXXXX	22
23		4-018 REFRIGERATOR-MECHANICAL	4,693	XXXXXX	23
24		4-019 REFRIGERATOR-NON-MECHANICAL	5,605	XXXXXX	24
25		4-020 FLAT-TOFC/COFC	133,092	XXXXXX	25
26		4-021 FLAT-MULTI-LEVEL	23,165	XXXXXX	26
27		4-022 FLAT-GENERAL SERVICE	161	XXXXXX	27
28		4-023 FLAT-ALL OTHER	24,477	XXXXXX	28
29		4-024 ALL OTHER CAR TYPES	212,061	XXXXXX	29
30		4-025 TOTAL (lines 15-29)	1,039,266	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	7,708	XXXXXX	32
33		4-112 BOX-EQUIPPED	128,687	XXXXXX	33
34		4-113 GONDOLA-PLAIN	174,683	XXXXXX	34
35		4-114 GONDOLA-EQUIPPED	123,236	XXXXXX	35
36		4-115 HOPPER-COVERED	119,759	XXXXXX	36
37		4-116 HOPPER-O/T-GENERAL SERVICE	63,952	XXXXXX	37
38		4-117 HOPPER-O/T-SPECIAL SERVICE	20,923	XXXXXX	38
39		4-118 REFRIGERATOR-MECHANICAL	4,540	XXXXXX	39
40		4-119 REFRIGERATOR-NON-MECHANICAL	4,907	XXXXXX	40
41		4-120 FLAT-TOFC/COFC	15,662	XXXXXX	41
42		4-121 FLAT-MULTI-LEVEL	16,019	XXXXXX	42
43		4-122 FLAT-GENERAL SERVICE	441	XXXXXX	43
44		4-123 FLAT-ALL OTHER	27,462	XXXXXX	44
45		4-124 ALL OTHER CAR TYPES	416	XXXXXX	45
46		4-125 TOTAL (lines 31-45)	708,395	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	8,599	XXXXXX	48
49		4-132 BOX-EQUIPPED	20,449	XXXXXX	49
50		4-133 GONDOLA-PLAIN	49,498	XXXXXX	50
51		4-134 GONDOLA-EQUIPPED	12,777	XXXXXX	51
52		4-135 HOPPER-COVERED	283,014	XXXXXX	52
53		4-136 HOPPER-O/T-GENERAL SERVICE	21,930	XXXXXX	53
54		4-137 HOPPER-O/T-SPECIAL SERVICE	131,406	XXXXXX	54
55		4-138 REFRIGERATOR-MECHANICAL	1,866	XXXXXX	55
56		4-139 REFRIGERATOR-NON-MECHANICAL	675	XXXXXX	56
57		4-140 FLAT-TOFC/COFC	426,338	XXXXXX	57
58		4-141 FLAT-MULTI-LEVEL	178,740	XXXXXX	58
59		4-142 FLAT-GENERAL SERVICE	0	XXXXXX	59
60		4-143 FLAT-ALL OTHER	26,091	XXXXXX	60
61		4-144 TANK UNDER 22,000 GALLONS	105,678	XXXXXX	61
62		4-145 TANK - 22,000 GALLONS AND OVER	188,179	XXXXXX	62
63		4-146 ALL OTHER CAR TYPES	1,641	XXXXXX	63
64		4-147 TOTAL (lines 47-63)	1,456,881	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	9,269	XXXXXX	66
67		4-152 BOX-EQUIPPED	16,991	XXXXXX	67
68		4-153 GONDOLA-PLAIN	51,965	XXXXXX	68
69		4-154 GONDOLA-EQUIPPED	14,392	XXXXXX	69
70		4-155 HOPPER-COVERED	290,774	XXXXXX	70
71		4-156 HOPPER-O/T-GENERAL SERVICE	23,058	XXXXXX	71
72		4-157 HOPPER-O/T-SPECIAL SERVICE	134,320	XXXXXX	72
73		4-158 REFRIGERATOR-MECHANICAL	1,843	XXXXXX	73
74		4-159 REFRIGERATOR-NON-MECHANICAL	603	XXXXXX	74
75		4-160 FLAT-TOFC/COFC	43,260	XXXXXX	75
76		4-161 FLAT-MULTI-LEVEL	118,776	XXXXXX	76
77		4-162 FLAT-GENERAL SERVICE	20	XXXXXX	77
78		4-163 FLAT-ALL OTHER	28,033	XXXXXX	78
79		4-164 TANK UNDER 22,000 GALLONS	109,429	XXXXXX	79
80		4-165 TANK - 22,000 GALLONS AND OVER	192,343	XXXXXX	80
81		4-166 ALL OTHER CAR TYPES	1,780	XXXXXX	81
82		4-167 TOTAL (lines 65-81)	1,036,856	XXXXXX	82
83		4-17 WORK EQUIPMENT CAR-MILES	44,336	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	1,039,704	XXXXXX	85
86		4-192 WAY TRAINS	286,505	XXXXXX	86
87		4-193 THROUGH TRAINS	2,959,525	XXXXXX	87
88		4-194 TOTAL (lines 85-87)	4,285,734	XXXXXX	88
89		4-20 CABOOSE MILES	209	XXXXXX	89

* Total number of loaded miles 211,770 and empty miles 0 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	33,553,923		98
		6-02 FREIGHT TRAINS, CRS., CNTS. & CABOOSE	XXXXXXXX	XXXXXX	
99		6-020 UNIT TRAINS	86,754,890	XXXXXX	99
100		6-021 WAY TRAINS	22,133,213	XXXXXX	100
101		6-022 THROUGH TRAINS	241,035,779	XXXXXX	101
102		6-03 PASSENGER-TRAINS, CRS. & CNTS.	0		102
103		6-04 NON-REVENUE	3,091,252	XXXXXX	103
104		6-05 TOTAL (lines 98-103)	386,569,057		104
		7. TONS OF FREIGHT (Thousands)	XXXXXXXX	XXXXXX	
105		7-01 REVENUE	383,031	XXXXXX	105
106		7-02 NON-REVENUE	4,827	XXXXXX	106
107		7-03 TOTAL (lines 105, 106)	387,858	XXXXXX	107
		8. TON-MILES OF FREIGHT (Thousands) (L)	XXXXXXXX	XXXXXX	
108		8-01 REVENUE-ROAD SERVICE	185,638,527	XXXXXX	108
109		8-02 REVENUE-LAKE TRANSFER SERVICE	0	XXXXXX	109
110		8-03 TOTAL (lines 108, 109)	185,638,527	XXXXXX	110
111		8-04 NON-REVENUE-ROAD SERVICE	1,483,468	XXXXXX	111
112		8-05 NON-REVENUE-LAKE TRANSFER SERV.	0	XXXXXX	112
113		8-06 TOTAL (lines 111, 112)	1,483,468	XXXXXX	113
114		8-07 TOTAL-REV AND NON-REV (lines 110, 113)	187,121,995	XXXXXX	114
		9. TRAIN HOURS (M)	XXXXXXXX	XXXXXX	
115		9-01 ROAD SERVICE	3,836,213	XXXXXX	115
116		9-02 TRAIN SWITCHING	667,593	XXXXXX	116
117		10. TOTAL YARD SWITCHING HOURS (N)	2,302,548	XXXXXX	117
		11. TRAIN-MILES WORK TRAINS (O)	XXXXXXXX	XXXXXX	
118		11-01 LOCOMOTIVES	1,047,103	XXXXXX	118
119		11-02 MOTORCARS	0	XXXXXX	119
		12. NUMBER OF LOADED FREIGHT CARS (P)	XXXXXXXX	XXXXXX	
120		12-01 UNIT TRAINS	2,086,046	XXXXXX	120
121		12-02 WAY TRAINS	4,806,027	XXXXXX	121
122		12-03 THROUGH TRAINS	6,021,575	XXXXXX	122
123		13. TOFC/COFC-NO. OF REV. TRLS. & CONT. LOADED & UNLOADED (Q)	5,695,742	XXXXXX	123
124		14. MULTI-LEVEL CARS-NO. OF MTR. VEH. LOADED AND UNLOADED (Q)	2,291,801	XXXXXX	124
125		15. TOFC/COFC-NO. OF REV TRLS. PICKED UP AND DELIVERED (R)	369,459	XXXXXX	125
		16. REVENUE TONS-MARINE TERMINAL (S)	XXXXXXXX	XXXXXX	
126		16-01 MARINE TERMINALS - COAL	27,025,268	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)	27,025,268	XXXXXX	129
		17. NUMBER OF FOREIGN PER DIEM CARS ON LINE (T)	XXXXXXXX	XXXXXX	
130		17-01 SERVICEABLE	25,010	XXXXXX	130
131		17-02 UNSERVICEABLE	1,576	XXXXXX	131
132		17-03 SURPLUS	0	XXXXXX	132
133		17-04 TOTAL (lines 130-132)	26,586	XXXXXX	133
134		TOFC/COFC - Average No. of Units Loaded Per Car	4.44	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)

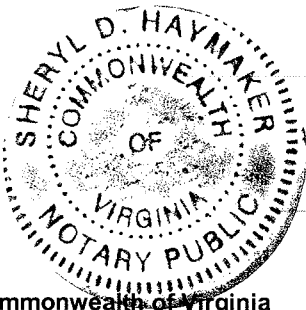
Commonwealth of Virginia
City of Norfolk

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, 2012**, to and including **December 31, 2012**.

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 **28th** day of **March, 2013**. My commission expires **July 31, 2014**.



Sheryl D. Haymaker

(Signature of officer authorized to administer oaths)

Commission ID No. 7024286
My Commission Expires 07/31/2014

SUPPLEMENTAL OATH

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

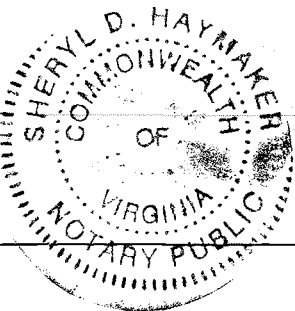
Commonwealth of Virginia
City of Norfolk

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, 2012**, to and including **December 31, 2012**.

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 **28th** day of **March, 2013**. My commission expires **July 31, 2014**.



Sheryl D. Haymaker

(Signature of officer authorized to administer oaths)

Commission ID No. 7024286
My Commission Expires 07/31/2014

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

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

CORRECTIONS

Date Correction			Page	Date of Letter, Fax or Telegram of			Authority		Board File Number	Clerk Making Correction Name
							Officer sending letter, fax or telegram			
Month	Day	Year		Month	Day	Year	Name	Title		

EXPLANATORY REMARKS

INDEX

	Page No.
Accumulated depreciation	
Road and equipment leased	
From others	38
Improvements to	38
To others	41
Owned and used	35
Accruals - railway tax	63
Analysis of taxes	63
Application of funds - source	21
Balance sheet	5-9
Capital stock	20
Car, locomotive, and floating equipment - classification	78-83
Changes in financial position	21-22
Company service equipment	79
Compensating balances and short-term borrowing arrangements	67
Consumption of fuel by motive power units	91
Contingent assets and liabilities	8
Crossties (see Ties)	
Debt holdings	69
Depreciation base and rates	
Road and equipment leased	
From others	34
Improvements to	32-33
To others	40
Owned and used	34
Electric locomotive equipment at close of year	68
Equipment - classified	78-83
Company service	79
Floating	82-83
Freight-train cars	80-81
Highway revenue equipment	82-83
Passenger-train cars	78-79
Inventory	78-83
Owned-Not in service of respondent	78
Equipment leased, depreciation base and rate	
From others	34
Improvements to	37
Reserve	38
To others	40
Reserve	41
Equipment owned, depreciation base rates	34
Reserve	35
Expenses - railway operating	45-53
Extraordinary items	17
Federal income taxes	63
Financial position - changes in	21-22
Floating equipment	82-83
Freight cars loaded	94
Freight-train cars	80-81
Freight car-miles	94
Fuel consumed - diesel	91
Cost	91
Funded debt (see Debt holdings)	
Guaranties and suretyships	66
Identity of respondent	2
Items in selected income and retained earnings accounts	65
Investments in common stock of affiliated companies	30
Investments and advances of affiliated companies	26-29
Railway property used in transportation service	42-43
Road and equipment	32-33
Changes during year	32-33
Leased property - improvements made during the year	32-33
Leases	61
Locomotive equipment	78
Electric and other	78
Consumption of diesel fuel	78
Locomotive unit miles	91

INDEX (Continued)

	Page No.
Mileage - Average of road operated	85
Of new tracks in which rails were laid	88
Of new tracks in which ties were laid	87
Miscellaneous items in retained income accounts for the year	65
Motorcar car miles	94
Motor rail cars owned or leased	79
Net income	17
Oath	98
Operating expenses (see Expenses)	
Revenues (see Revenues)	
Statistics (see Statistics)	
Ordinary income	16
Private line cars loaded	95
Private line cars empty	95
Rails	
Laid in replacement	88
Charges to operating expenses	45
Additional tracks, new lines, and extensions	89
Miles of new track in which rails were laid	88
Weight of	89
Railway - Operating expenses	45-53
Railway - Operating revenues	16
Results of operations	16-17
Retained income unappropriated	19
Miscellaneous items in accounts for year	11
Revenues	
Freight	16
Passenger	16
Road and Equipment - Investment in	32-33
Improvements to leased property	32-33
Reserve	38
Leased to others - Depreciation base and rates	40
Reserve	41
Owned - Depreciated base and rates	34
Reserve	35
Used - Depreciated base and rates	34
Reserve	35
Road - Mileage operated at close of year	74
By states and territories	75
Securities (see Investments)	
Short-term borrowings arrangements - compensating balances and	67
Sinking funds	7
Sources and application of working capital	21-22
Specialized service subschedule	60
Statement of changes in financial position	21-22
Stock outstanding	20
Changes during year	20
Number of security holders	3
Total voting power	3-4
Value per share	3
Voting rights	3
Supporting schedule - improvements to equipment leased from others	57A-57B
Supporting schedule - road	56-57
Suretyships - Guaranties and	66
Ties laid in replacement	86
Ties - Additional tracks, new lines, and extensions	87
Tracks operated at close of year	74
Miles of, at close of year	75
Track and traffic conditions	85
Train hours, yard switching	97
Train miles	94
Tons of freight	97
Ton-miles of freight	97
TOFC/COFC number of revenue trailers and containers - loaded & unloaded	97
Voting powers and elections	3
Weight of rail	90