

# Class I Railroad Annual Report

	<p><b>Norfolk Southern Combined Railroad Subsidiaries Three Commercial Place Norfolk, VA 23510-2191</b></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, 2013**

## 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, 2013**

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

(Name) Thomas E. Hurlbut (Title) Vice President and Controller

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

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

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## SPECIAL NOTICE

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

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

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### 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
		<b>NONE</b>



**B. IDENTITY OF RESPONDENT**

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

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

- 1 Exact name of common carrier making this report Norfolk Southern Combined Railroad Subsidiaries\* (NS Rail) is  
comprised principally of Norfolk Southern Railway Consolidated.
- 2 Date of incorporation Norfolk Southern Railway Company was incorporated June 18, 1894, under the name Southern  
Railway Company.
- 3 Under laws of what Government, State, or Territory organized? If more than one, name all. If in bankruptcy, give court of jurisdiction and dates of beginning of receivership and of appointment of receivers or trustees  
Norfolk Southern Railway Company - Organized under and by virtue of an act of Assembly of the State of Virginia,  
approved February 20, 1894.
- 4 If the respondent was reorganized during the year, involved in a consolidation or merger, or conducted its business under a different name, give full particulars - On June 1, 1982, Southern Railway Company (SR) and Norfolk and Western Railway  
Company (NW) became subsidiaries of Norfolk Southern Corporation (NS), a transportation holding company incorporated  
in Virginia. Effective December 31, 1990, NS transferred all the common stock of NW to SR, and SR's name was changed to  
Norfolk Southern Railway Company (NSR). Effective September 1, 1998, NW was merged with and into NSR. In August 1998,  
the STB's decision approving the joint application of NS, NSR and other parties to control Conrail, 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, 2013.  
(date)
8. State the total number of stockholders of record, as of the date shown in answer to inquiry No. 7. One stockholder.
9. Give the names of the thirty security holders of the respondent who, at the date of the latest closing of the stock book or compilation of the list of stockholders of the respondent (if within 1 year prior to the actual filing of this report), had the highest voting powers in the respondent, showing for each, his address, the number of votes he would have had a right to cast on that date had a meeting then been in order, and the classification of the number of votes to which he was entitled, with respect to securities held by him, such securities being classified as common stock, second preferred stock, first preferred stock, and other securities, stating in a footnote the names of such other securities (if any). If any such holder held in trust, give (in a footnote) the particulars of the trust. In the case of voting trust agreement, give as supplemental information the names and addresses of the thirty largest holders of the voting trust certificates and the amount of their individual holdings. If the stock book was not closed or the list of stockholders compiled within such year, show such thirty security holders as of the close of the year.

Line No.	Name of Security Holder	Address of Security Holder	Number of votes to which security holder was entitled	NUMBER OF VOTES, CLASSIFIED WITH RESPECT TO SECURITIES ON WHICH BASED			Line No.
				Stock			
				Common	PREFERRED		
	Second	First					
1	<b>Norfolk Southern Railway:</b>						1
2	Norfolk Southern Corp.	Norfolk, VA	16,668,997	16,668,997			2
3							3
4							4
5							5
6							6
7							7
8							8
9							9
10							10
11							11
12							12
13							13
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15							15
16							16
17							17
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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 28, 2013

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:

<u>Class I</u>	<u>Lessors and Other</u>
Alabama Great Southern Railroad Company, The	Airforce Pipeline, Inc.
Cincinnati, New Orleans and Texas Pacific Railway Company, The	Alabama Great Southern, LLC
Norfolk Southern Railway Company	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
	Wheelerburg Terminal, LLC
	Yadkin Railroad Company

**200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - ASSETS**

(Dollars in Thousands)

Line No.	Cross Check	Account	Title (a)	Balance at close of year (b)	Balance at beginning of year (c)	Line No.
<b>Current Assets</b>						
1		701	Cash and Cash Equivalents	1,362,342	600,286	1
2		702	Temporary Cash Investments	107,962	15,000	2
3		703	Special Deposits			3
Accounts Receivable						
4		704	- Loan and Notes	827	1,029	4
5		705	- Interline and Other Balances	62,273	63,646	5
6		706	- Customers	526,407	529,880	6
7		707	- Other	103,629	153,236	7
8		709, 708	- Accrued Accounts Receivables	318,330	353,071	8
9		708.5	- Receivables from Affiliated Companies	6,755,381	5,365,967	9
10		709.5	- Less: Allowance for Uncollectible Accounts	(3,178)	(3,349)	10
11		710, 711, 714	Working Funds Prepayments Deferred Income Tax Debits	228,995	215,454	11
12		712	Materials and Supplies	222,912	215,378	12
13		713	Other Current Assets	8,059	5,991	13
14			<b>TOTAL CURRENT ASSETS</b>	<b>9,693,939</b>	<b>7,515,589</b>	14
<b>Other Assets</b>						
15		715, 716, 717	Special Funds	249,819	3,038	15
16		721, 721.5	Investments and Advances Affiliated Companies (Schedule 310 and 310A)	2,851,274	2,192,065	16
17		722, 723	Other Investments and Advances	330,996	299,663	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) \$47,549 and \$44,772 respectively	124,938	123,427	19
20		739, 741	Other Assets	25,685	23,473	20
21		743	Other Deferred Debits	4,822	6,351	21
22		744	Accumulated Deferred Income Tax Debits			22
23			<b>TOTAL OTHER ASSETS</b>	<b>3,587,534</b>	<b>2,648,017</b>	23
<b>Road and Equipment</b>						
24		731, 732	Road (Schedule 330, L-30 Col. h & b)	26,423,101	25,358,445	24
25		731, 732	Equipment (Schedule 330, L-39 Col. h & b)	9,413,240	9,086,897	25
26		731, 732	Unallocated Items	558,559	577,425	26
27		733, 735	Accumulated Depreciation and Amortization (Schedules 335, 342, 351)	(10,470,124)	(10,002,307)	27
28			<b>Net Road and Equipment</b>	<b>25,924,776</b>	<b>25,020,460</b>	28
29	*		<b>TOTAL ASSETS</b>	<b>39,206,249</b>	<b>35,184,066</b>	29

NOTES AND REMARKS

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - LIABILITIES AND SHAREHOLDERS' EQUITY						
(Dollars in Thousands)						
Line No.	Cross Check	Account	Title (a)	Balance at close of year (b)	Balance at beginning of year (c)	Line No.
Current Liabilities						
30		751	Loans and Notes Payable	100,000	200,000	30
31		752	Accounts Payable; Interline and Other Balances	424	575	31
32		753	Audited Accounts and Wages	1,948	1,777	32
33		754	Other Accounts Payable	2,888	2,307	33
34		755, 756	Interest and Dividends Payable	11,405	11,641	34
35		757	Payables to Affiliated Companies	3,897,301	2,254,935	35
36		759	Accrued Accounts Payable	1,259,700	1,358,259	36
37		760, 761, 761.5, 762	Taxes Accrued	207,312	187,048	37
38		763	Other Current Liabilities	136,920	137,988	38
39		764	Equipment Obligations and Other Long-Term Debt	14,104	49,799	39
40			<b>TOTAL CURRENT LIABILITIES</b>	<b>5,632,002</b>	<b>4,204,329</b>	40
Non-Current Liabilities						
41		765, 767	Funded Debt Unmatured	551,826	551,826	41
42		766	Equipment Obligations	714	14,710	42
43		766.5	Capitalized Lease Obligations	1,970	2,087	43
44		768	Debt in Default			44
45		769	Accounts Payable; Affiliated Companies	4,098,677	3,208,500	45
46		770.1, 770.2	Unamortized Debt Premium	87,114	94,657	46
47		781	Interest in Default			47
48		783	Deferred Revenues-Transfers from Government Authorities			48
49		786	Accumulated Deferred Income Tax Credits	9,090,242	8,123,071	49
50		771, 772, 774, 775, 782, 784	Other Long-Term Liabilities and Deferred Credits	3,337,087	4,229,070	50
51			<b>TOTAL NONCURRENT LIABILITIES</b>	<b>17,167,630</b>	<b>16,223,921</b>	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)	7,263,099	7,099,625	56
Retained Earnings:						
57		797	Appropriated			57
58		798	Unappropriated (Schedule 220)	8,099,301	7,706,147	58
59		796	Accumulated Other Comprehensive Income	877,527	(216,646)	59
60		798.5	Less Treasury Stock			60
61			Net Stockholders' Equity	16,406,617	14,755,816	61
62	*		<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>39,206,249</b>	<b>35,184,066</b>	62
NOTES AND REMARKS						

## 200. COMPARATIVE STATEMENT OF FINANCIAL POSITION – EXPLANATORY NOTES

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

1. Amount (estimated, if necessary) of net income or retained income which has to be provided for capital expenditures, and for sinking and other funds pursuant to provisions of reorganization plans, mortgages, deeds of trust, or other contracts  
NONE
2. Estimated amount of future earnings which can be realized before paying Federal income taxes because of unused and available net operating loss carryover on January 1 of the year following that for which the report is made  
NONE
3. (a) Explain the procedure in accounting for pension funds and recording in the accounts the current and past service pension costs, indicating whether or not consistent with the prior year  
SEE NOTE 12, PAGE 10
- (b) State amount, if any, representing the excess of the actuarially computed value of vested benefits over the total of the pension fund  
SEE NOTE 12, PAGE 10
- (c) Is any part of pension plan funded? Specify. Yes  No   
 (i) If funding is by insurance, give name of insuring company NOT APPLICABLE  
 If funding is by trust agreement, list trustee(s) THE BOARD OF MANAGERS OF THE RETIREMENT PLAN OF NORFOLK SOUTHERN CORPORATION AND PARTICIPATING SUBSIDIARY COMPANIES. SINCE 11/2013, THE MEMBERS OF THE BOARD OF MANAGERS HAVE BEEN CINDY EARHART, CHAIRMAN; DON SEALE, MEMBER; MARTA STEWART, MEMBER.  
 Date of trust agreement or latest amendment DECEMBER 1, 2010  
 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 BENEFITS INVESTMENT COMMITTEE IS AUTHORIZED TO GIVE INSTRUCTIONS TO THE BENEFITS INVESTMENT COMMITTEE'S 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 the first quarter of 2013, we prospectively adopted Accounting Standards Update (ASU) No. 2013-02, “*Comprehensive Income (Topic 220): Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income*.” This update requires the disclosure of the effects of reclassifications out of Accumulated Other Comprehensive Income (Loss) on the respective line items in our Consolidated Statements of Income if the amount being reclassified is required under GAAP to be reclassified in its entirety to net income. We don’t have any such items. For other amounts that are not required to be reclassified in their entirety to net income in the same reporting period, we are required to cross-reference other required GAAP disclosures to provide additional detail about those amounts. This update does not change the requirement to present the components of net income and other comprehensive income in either a single continuous statement or two separate consecutive statements, nor does it change the items currently reported in other comprehensive income.

**Reclassifications**

Certain comparative amounts have been reclassified to conform to the current year presentation.

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

Norfolk Southern (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 \$870 million in 2013 and \$846 million in 2012, including a \$53 million markup in 2013 and a \$51 million markup in 2012). In addition, NS charges us a revenue-based licensing fee (which totaled \$162 million in 2013 and \$159 million in 2012) for the use of certain intangible assets owned by NS.

We owned 20,320,777 shares of NS Common Stock at both December 31, 2013 and 2012. The fair value of this investment of \$1,886 million and \$1,257 million at December 31, 2013 and 2012, respectively, is included in “Investments” on the Combined Comparative Statement of Financial Position.

**Noncash Dividends**

We declared and issued to NS noncash dividends totaling \$1.6 billion in 2013, and \$1.7 billion in 2012, which were settled by reduction of our interest-bearing 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 book and 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 \$146 million in 2013 and \$147 million in 2012. Future minimum lease payments due to CRC under the Shared Assets Areas agreements are as follows: \$35 million in each of 2014 through 2018 and \$185 million thereafter.

**Intercompany Accounts**

	December 31,	
	2013	2012
	(\$ in millions)	
Current:		
Accrued Accounts Payable	\$ 1,260	\$ 1,358
Long-term		
Other Long-Term Liabilities and Deferred Credits	\$ 3,337	\$ 4,229

“Accrued Accounts Payable” includes \$187 million at December 31, 2013, and \$178 million at December 31, 2012, 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, 2013 and 2012, for long-term advances from Conrail, maturing 2035, that bear interest at an average rate of 4.4%.

Interest is applied to certain advances at the average NS yield on short-term investments and to the notes at specified rates. Our results include interest income on amounts due from NS of \$11 million in 2013 and \$10 million in 2012, and interest expense of \$102 million in 2013 and \$69 million in 2012 related to these intercompany accounts. These amounts are included in “Interest income” and “Interest on unfunded debt,” respectively.



## Capital Contributions

In 2013 and 2012, we recognized \$163 million and \$36 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 \$1,957 million at December 31, 2013, and \$2,052 million at December 31, 2012.

## Cash Required for NS Debt

NS has outstanding approximately \$9.2 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,	
	2013	2012
	(\$ in millions)	
Marketable equity securities, principally 20,320,777 shares of NS Common Stock at fair value (Level 1)	\$ 1,886	\$ 1,257

Carrying value adjustments, which are noncash transactions, are not included in the Combined Statement of Cash Flows. The gross unrealized holding gain was \$1,866 million on December 31, 2013 and \$1,237 million on December 31, 2012. Sales of "available-for-sale" securities were zero for the years ended both December 31, 2013 and 2012.

## 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 current 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. On March 4, 2014, NS adopted certain changes to its medical coverage for retirees, effective July 1, 2014, where NS will contribute to a health reimbursement account, allowing retirees to purchase an insurance plan for their medical needs. As a result of this change, the postretirement obligation is expected to change, although the effect of the change has not yet been quantified. The following relates to the combined NS plans in effect as of December 31, 2013.

**Pension and Other Postretirement Benefit Obligations and Plan Assets**

	Pension Benefits		Other Postretirement Benefits	
	2013	2012	2013	2012
	(\$ in millions)			
<b>Change in benefit obligations:</b>				
Benefit obligation at beginning of year	\$ 2,285	\$ 2,027	\$ 1,311	\$ 1,206
Service cost	41	34	16	15
Interest cost	81	89	50	54
Actuarial (gains) losses	(196)	253	(471)	82
Benefits paid	(120)	(118)	(51)	(46)
Benefit obligation at end of year	<u>2,091</u>	<u>2,285</u>	<u>855</u>	<u>1,311</u>
<b>Change in plan assets:</b>				
Fair value of plan assets at beginning of year	1,791	1,670	205	186
Actual return on plan assets	432	227	34	19
Employer contribution	12	12	51	46
Benefits paid	(120)	(118)	(51)	(46)
Fair value of plan assets at end of year	<u>2,115</u>	<u>1,791</u>	<u>239</u>	<u>205</u>
<b>Funded status at end of year</b>	<u>\$ 24</u>	<u>\$ (494)</u>	<u>\$ (616)</u>	<u>\$ (1,106)</u>
Amounts recognized in the Consolidated Balance Sheets:				
Noncurrent assets	\$ 256	\$ 1	\$ -	\$ -
Current liabilities	(14)	(13)	(50)	(57)
Noncurrent liabilities	(218)	(482)	(566)	(1,049)
<b>Net amount recognized</b>	<u>\$ 24</u>	<u>\$ (494)</u>	<u>\$ (616)</u>	<u>\$ (1,106)</u>
Amounts recognized in accumulated other comprehensive income (loss) (before tax):				
Net (gain) loss	\$ 585	\$ 1,160	\$ (88)	\$ 459
Prior service cost	4	4	-	-

NS' accumulated benefit obligation for its defined benefit pension plans is \$1.9 billion and \$2.1 billion at December 31, 2013 and 2012, 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 \$231 million at December 31, 2013, and \$239 million at December 31, 2012, and had accumulated benefit obligations of \$206 million at December 31, 2013, and \$215 million at December 31, 2012.

**Pension and Other Postretirement Benefit Cost Components**

	2013	2012
	(\$ in millions)	
<b>Pension benefits</b>		
Service cost	\$ 41	\$ 34
Interest cost	81	89
Expected return on plan assets	(142)	(138)
Amortization of net losses	89	75
Net cost	<u>\$ 69</u>	<u>\$ 60</u>
<b>Other postretirement benefits</b>		
Service cost	\$ 16	\$ 15
Interest cost	50	54
Expected return on plan assets	(16)	(15)
Amortization of net losses	58	53
Net cost	<u>\$ 108</u>	<u>\$ 107</u>

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

	2013	
	Pension Benefits	Other Postretirement Benefits
	(\$ in millions)	
Net gain arising during the year	\$ 486	\$ 489
Amortization of net losses	89	58
Total recognized in other comprehensive income	<u>\$ 575</u>	<u>\$ 547</u>
Total recognized in net periodic cost and other comprehensive income	<u>\$ 506</u>	<u>\$ 439</u>

Net actuarial gains arising during the year to NS' pension benefits were due primarily to a higher than expected return on plan assets and an increase in NS' discount rate. Net actuarial gains arising during the year related to NS' other postretirement benefits were due to changes in the

estimate of the allocation of medical claims costs between the Medicare eligible and non-Medicare eligible populations, lower estimates of prescription drug costs and an increase in the discount rate.

The estimated net losses for the pension benefit plans that will be amortized from accumulated other comprehensive income into net periodic cost over the next year are \$54 million. There is no expected amortization for the other postretirement benefit plans over the next year.

#### 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>2013</u>	<u>2012</u>
<b>Pension funded status:</b>		
Discount rate	4.60%	3.65%
Future salary increases	4.50%	4.50%
<b>Other postretirement benefits funded status:</b>		
Discount rate	4.65%	3.80%
<b>Pension cost:</b>		
Discount rate	3.65%	4.50%
Return on assets in plans	8.25%	8.25%
Future salary increases	4.50%	4.50%
<b>Other postretirement benefits cost:</b>		
Discount rate	3.80%	4.55%
Return on assets in plan	8.00%	8.00%
Health care trend rate	7.33%	7.70%

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, 2013, increases in the per capita cost of covered health care benefits were assumed to be 6.94% for 2014. It is assumed the rate will decrease gradually to an ultimate rate of 5.0% for 2019 and remain at that level thereafter.

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

	<b>One-percentage point</b>	
	<b>Increase</b>	<b>Decrease</b>
	(\$ in millions)	
Increase (decrease) in:		
Total service and interest cost components	\$ 11	\$ (9)
Postretirement benefit obligation	\$ 100	\$ (84)

#### 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:

	<b>Percentage of plan</b>	
	<b>assets at December 31,</b>	
	<u>2013</u>	<u>2012</u>
Domestic equity securities	54%	52%
International equity securities	22%	22%
Debt securities	20%	24%
Cash and cash equivalents	4%	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, 2013, of 65% in equity securities and 35% in debt securities compared with 58% in equity securities and 42% in debt securities at December 31, 2012. 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 both 2013 and 2012. A one-percentage point change to the rate of return assumption would result in an \$18 million change to the net pension cost and, as a result, an equal change in "Compensation and benefits" expense. For 2014, 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).

	<b>December 31, 2013</b>		
	<b>Level 1</b>	<b>Level 2</b> <i>(\$ in millions)</i>	<b>Total</b>
Common stock	\$ 1,245	\$ -	\$ 1,245
Common collective trusts:			
Debt securities	-	423	423
International equity securities	-	265	265
Commingled funds	-	95	95
Interest bearing cash	83	-	83
U.S. government and agencies securities	-	4	4
<b>Total investments</b>	<b>\$ 1,328</b>	<b>\$ 787</b>	<b>\$ 2,115</b>
	<b>December 31, 2012</b>		
	<b>Level 1</b>	<b>Level 2</b> <i>(\$ in millions)</i>	<b>Total</b>
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
<b>Total investments</b>	<b>\$ 1,059</b>	<b>\$ 732</b>	<b>\$ 1,791</b>

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 \$239 million and \$205 million at December 31, 2013 and 2012, 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 2014, NS expects to contribute approximately \$14 million to its unfunded pension plans for payments to pensioners and approximately \$50 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 2014.

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

	Pension Benefits	Other Postretirement Benefits
	(\$ in millions)	
2014	\$ 127	\$ 50
2015	130	51
2016	133	52
2017	135	53
2018	137	54
Years 2019 – 2023	693	272

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 \$41 million in 2013 and \$47 million in 2012.

### 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 \$19 million in 2013 and \$18 million in 2012.

## 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 become known.

Two of our customers, DuPont and Sunbelt Chlor Alkali Partnership ("Sunbelt"), filed rate reasonableness complaints before the Surface Transportation Board (STB) alleging that our tariff rates for transportation of regulated movements are unreasonable. Since June 1, 2009, in the case of DuPont, and April 1, 2011, in the case of Sunbelt, we have been billing and collecting amounts based on the challenged tariff rates. On March 14, 2014, the STB resolved DuPont's rate reasonableness complaint in NS's favor, finding all of the challenged rates to be reasonable. The STB's findings in the DuPont rate case remain subject to technical corrections, requests for reconsideration, and appeal. We dispute the allegations of the Sunbelt complaint and presently expect resolution of that case to occur in 2014. With respect to both cases, we 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. The defendant railroads appealed this certification, and on August 9, 2013, the Court of Appeals for the District of Columbia vacated the District Court's decision and remanded the case for further consideration. 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 our 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.

**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 \$58 million at December 31, 2013, and \$42 million at December 31, 2012 (of which \$15 million is classified as a current liability at December 31, 2013 and \$12 million at December 31, 2012). At December 31, 2013, the liability represents our estimate of the probable cleanup and remediation costs based on available information at 142 known locations and projects compared with 146 locations and projects at December 31, 2012. At December 31, 2013, ten sites accounted for \$30 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 12 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 our 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 \$1.0 billion per occurrence and/or policy year for bodily injury and property damage to third parties and up to \$25 million and above \$175 million per occurrence and/or policy year for property owned by us or in our care, custody or control.

#### **Purchase Commitments**

At December 31, 2013, we had outstanding purchase commitments totaling approximately \$353 million for long-term service contracts through 2019 as well as locomotives, track material, and freight cars, in connection with our capital programs through 2018.

#### **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, 2013, 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 2013, 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 requested information for respondent pertaining to results of operations for the year.

2. Report total operating expenses from Schedule 410. Any differences between this schedule and Schedule 410 must be explained on page 18.

3. List dividends from investments accounted for under the cost method on line No. 19 and list dividends accounted for under the equity method on line 25.

4. All contra entries should be shown in parenthesis

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

5. Cross-checks

Schedule 210

Line 15, column (b)

Line 47 plus 48 plus 49, column (b)

Line 50, column (b)

Line 14, column (b)

Line 14, column (d)

Line 14, column (e)

Schedule 210

= Line 62, column (b)

= Line 63, column (b)

= Line 64, column (b)

Schedule 410

= Line 620, column (h)

= Line 620, column (f)

= Line 620, column (g)

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Freight-related revenue & expenses (d)	Passenger-related revenue & expenses (e)	Line No.
		<b>ORDINARY ITEMS</b>					
		<b>OPERATING INCOME</b>					
		Railway Operating Income					
1		(101) Freight	10,915,339	10,629,869	10,915,339		1
2		(102) Passenger					2
3		(103) Passenger-Related					3
4		(104) Switching	71,386	77,492	71,386		4
5		(105) Water Transfers					5
6		(106) Demurrage	169,726	158,016	169,726		6
7		(110) Incidental	88,258	174,720	88,258		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)	11,244,709	11,040,097	11,244,709		10
11		(502) Railway operating revenues-Transfers from Government Authorities for current operations					11
12		(503) Railway operating revenues-Amortization of deferred transfers from Government Authorities					12
13		<b>TOTAL RAILWAY OPERATING REVENUES (lines 10-12)</b>	<b>11,244,709</b>	<b>11,040,097</b>	<b>11,244,709</b>		13
14	*	(531) Railway operating expenses	8,205,664	8,142,872	8,205,664		14
15	*	Net revenue from railway operations	3,039,045	2,897,225	3,039,045		15
		<b>OTHER INCOME</b>					
16		(506) Revenue from property used in other than carrier operations	9,319	7,213			16
17		(510) Miscellaneous rent income	47,907	42,913			17
18		(512) Separately operated properties-Profit					18
19		(513) Dividend Income (cost method)	41,454	39,422			19
20		(514) Interest Income	11,675	11,591			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	219,086	121,197			24
25		Income from affiliated companies: 519					
26		a. Dividends (equity method)					25
27		b. Equity in undistributed earnings (losses)	(5,001)	(3,574)			26
27		<b>TOTAL OTHER INCOME (lines 16-26)</b>	<b>324,440</b>	<b>218,762</b>			27
28		<b>TOTAL INCOME (lines 15, 27)</b>	<b>3,363,485</b>	<b>3,115,987</b>			28
		<b>MISCELLANEOUS DEDUCTIONS FROM INCOME</b>					
29		(534) Expenses of property used in other than carrier operations	20,856	20,346			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	16,798	15,988			34
35		(553) Uncollectible accounts					35
36		<b>TOTAL MISCELLANEOUS DEDUCTIONS (lines 29-35)</b>	<b>37,654</b>	<b>36,334</b>			36
37		Income available for fixed charges (lines 28, 36)	3,325,831	3,079,653			37

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

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Line No.
		<b>FIXED CHARGES</b>			
		(546) Interest on funded debt:			
38		(a) Fixed interest not in default	123,594	93,091	38
39		(b) Interest in default			39
40		(547) Interest on unfunded debt	104,173	101,345	40
41		(548) Amortization of discount on funded debt	33	38	41
42		<b>TOTAL FIXED CHARGES (lines 38-41)</b>	<b>227,800</b>	<b>194,474</b>	42
43		Income after fixed charges (lines 37, 42)	3,098,031	2,885,179	43
		<b>OTHER DEDUCTIONS</b>			
		(546) Interest on funded debt:			
44		(c) Contingent interest			44
		<b>UNUSUAL OR INFREQUENT ITEMS</b>			
45		(555) Unusual or infrequent items (debit) credit			45
46		Income (Loss) from continuing operations (before income taxes)	3,098,031	2,885,179	46
		<b>PROVISIONS FOR INCOME TAXES</b>			
		(556) Income taxes on ordinary income:			
47	*	(a) Federal income taxes	710,316	669,693	47
48	*	(b) State income taxes	91,222	65,772	48
49	*	(c) Other income taxes			49
50	*	(557) Provision for deferred taxes	298,369	309,730	50
51		<b>TOTAL PROVISIONS FOR INCOME TAXES (lines 47-50)</b>	<b>1,099,907</b>	<b>1,045,195</b>	51
52		Income from continuing operations (lines 46+51)	1,998,124	1,839,984	52
		<b>DISCONTINUED OPERATIONS</b>			
53		(560) Income or loss from operations of discontinued segments (less applicable income taxes of \$ )			53
54		(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of \$ )			54
55		Income before extraordinary items (lines 52+53+54)	1,998,124	1,839,984	55
		<b>EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES</b>			
56		(570) Extraordinary items (Net)			56
57		(590) Income taxes on extraordinary items			57
58		(591) Provision for deferred taxes-Extraordinary items			58
59		<b>TOTAL EXTRAORDINARY ITEMS (lines 56-58)</b>			59
60		(592) Cumulative effect of changes in accounting principles (less applicable tax of \$ )			60
61	*	Net income (Loss) (lines 55+59+60)	1,998,124	1,839,984	61
		Reconciliation of net railway operating income(NROI)			
62		Net revenues from railway operation	3,039,045	2,897,225	62
63	*	(556) Income taxes on ordinary income ( - )	(801,538)	(735,465)	63
64	*	(557) Provision for deferred income taxes ( - )	(298,369)	(309,730)	64
65		Income from lease of road and equipment ( - )	(10,143)	(9,571)	65
66		Rent for leased roads and equipment ( + )	24,727	23,923	66
67		<b>Net railway operating income (loss)</b>	<b>1,953,722</b>	<b>1,866,382</b>	67

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

Certain comparative amounts have been reclassified to conform to the current year presentation.

**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 in lines 22 and 23 the amount of assigned Federal income tax consequences for Account 606 and 616.
4. Segregate in column (c) all amounts applicable to the equity in undistributed earnings (losses) of affiliated companies based on the equity method of accounting.
5. The total of column (b) and (c), lines 3 and 7, should agree with line 61 column (b), Schedule 210.
6. Include in column (b) only amounts applicable to retained earnings exclusive of any amounts included in column (c).

Line No.	Cross Check	Item	Retained earnings- Unappropriated	Equity in undistributed earnings (losses) of affiliated companies	Line No.
		(a)	(b)	(c)	
1		Balances at beginning of year	7,706,147		1
2	(601.5)	Prior period adjustments to beginning retained earnings			2
		<b>CREDITS</b>			
3	(602)	Credit balance transferred from income	1,998,124		3
4	(603)	Appropriations released			4
5	(606)	Other credits to retained earnings			5
6		<b>TOTAL</b>	1,998,124		6
		<b>DEBITS</b>			
7	(612)	Debit balance transferred from income			7
8	(616)	Other debits to retained earnings	4,746		8
9	(620)	Appropriations for sinking and other funds			9
10	(621)	Appropriations for other purposes			10
11	(623)	Dividends: Common stock	1,600,224		11
12		Preferred stock (1)			12
13		<b>TOTAL</b>	1,604,970		13
14		Net increase (decrease) during year (line 6 minus line 13)	393,154		14
15		Balances at close of year (lines 1, 2 & 14)	8,099,301		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	8,099,301	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.

**NOTES AND REMARKS**

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 9, 2014.

\* 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			\$7,099,625	11
12	Capital Stock Sold								12
13	Capital Stock Reacquired								13
14	Capital Stock Canceled								14
15	Contribution to Capital							\$163,474	15
16									16
17	Balance at close of year				\$166,690			\$7,263,099	17

**240. STATEMENT OF CASH FLOWS**

(Dollars in Thousands)

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

**CASH FLOWS FROM OPERATING ACTIVITIES**

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

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

Line No.	Cross Check	Description (a)	Current Year (b)	Prior Year (c)	Line No.
10		Income from continuing operations	1,998,124	1,839,984	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	(99,933)	(4,359)	11
12		Depreciation and amortization expenses	961,016	971,549	12
13		Increase (decrease) in provision for deferred income taxes	298,369	309,730	13
14		Net decrease (increase) in undistributed earnings (losses) of affiliates	(9,936)	(11,020)	14
15		Decrease (increase) in accounts receivable	89,225	(63,510)	15
16		Decrease (increase) in materials and supplies, and other current assets	(11,683)	(12,987)	16
17		Increase (decrease) in current liabilities other than debt	(78,998)	115,364	17
18		Increase (decrease) in other-net	39,743	220,256	18
19		Net cash provided from continuing operations (Lines 10-18)	3,185,927	3,365,007	19
20		Add (subtract) cash generated (paid) by reason of discontinued operations and extraordinary items			20
21		<b>NET CASH PROVIDED FROM OPERATING ACTIVITIES (Lines 19 &amp; 20)</b>	3,185,927	3,365,007	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	203,881	143,758	22
23		Capital expenditures	(1,970,899)	(2,234,179)	23
24		Net change in temporary cash investments not qualifying as cash equivalents	(92,962)	25,003	24
25		Proceeds from sale/repayment of investment and advances	41,805	44,658	25
26		Purchase price of long-term investment and advances	(11,564)	(18,167)	26
27		Net decrease (increase) in sinking and other special funds	(246,781)	13,635	27
28		Other-net			28
29		<b>NET CASH USED IN INVESTING ACTIVITIES (Lines 22-28)</b>	(2,076,520)	(2,025,292)	29

(Continued on next page)

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

**CASH FLOWS FROM FINANCING ACTIVITIES**

Line No.	Cross Check	Description (a)	Current Year (b)	Prior Year (c)	Line No.
30		Proceeds from issuance of long-term debt	100,000	300,000	30
31		Principal payments of long-term debt	(249,808)	(246,843)	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	(197,543)	(1,038,203)	35
36		NET CASH USED IN FINANCING ACTIVITIES (Lines 30-35)	(347,351)	(985,046)	36
37		NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (Lines 21, 29 & 36)	762,056	354,669	37
38		Cash and cash equivalents at beginning of the year	600,286	245,617	38
39		CASH AND CASH EQUIVALENTS AT END OF THE YEAR (Lines 37 & 38)	1,362,342	600,286	39
		Footnotes to Schedule 240			
		Cash paid during the year for:			
40		Interest (net of amount capitalized)*	29,303	35,163	40
41		Income taxes (net)*	714,120	596,703	41

\*Only applies if indirect method is adopted.

**NOTES AND REMARKS**

**245. WORKING CAPITAL**

(Dollars in Thousands)

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

Line No.	Item  (a)	Source  No.	Amount  (b)	Line No.
<b>CURRENT OPERATING ASSETS</b>				
1	Interline and Other Balances (705)	Schedule 200, line 5, column b	62,273	1
2	Customers (706)	Schedule 200, line 6, column b	526,407	2
3	Other (707)	Note A	103,629	3
4	<b>TOTAL CURRENT OPERATING ASSETS</b>	Line 1 + 2 + 3	<b>692,309</b>	4
<b>OPERATING REVENUE</b>				
5	Railway Operating Revenue	Schedule 210, line 13, column b	11,244,709	5
6	Rent Income	Note B	237,586	6
7	<b>TOTAL OPERATING REVENUES</b>	Lines 5 + 6	<b>11,482,295</b>	7
8	Average Daily Operating Revenues	Line 7 ÷ 360 days	31,895	8
Days of Operating Revenue in				
9	Current Operating Assets	Line 4 ÷ line 8	22	9
10	Revenue Delay Days Plus Buffer	Lines 9 + 15 days	37	10
<b>CURRENT OPERATING LIABILITIES</b>				
11	Interline and Other Balances (752)	Schedule 200, line 31, column b	424	11
12	Audited Accounts and Wages Payable (753)	Note A	1,948	12
13	Accounts Payable-Other (754)	Note A	2,888	13
14	Other Taxes Accrued (761.5)	Note A	156,628	14
15	<b>TOTAL CURRENT OPERATING LIABILITIES</b>	Sum of lines 11 to 14	<b>161,888</b>	15
<b>OPERATING EXPENSES</b>				
16	Railway Operating Expenses	Schedule 210, line 14, column b	8,205,664	16
17	Depreciation	Schedule 410, lines 136, 137, 138, 213, 232, 317, column h	958,527	17
18	Cash Related Operating Expenses	Line 16 + line 6 - line 17	7,484,723	18
19	Average Daily Expenditures	Line 18 ÷ 360 days	20,791	19
Days of Operating Expenses in Current				
20	Operating Liabilities	Line 15 ÷ line 19	8	20
21	Days of Working Capital Required	Line 10 - line 20 (Note C)	29	21
22	Cash Working Capital Required	Line 21 x line 19	602,939	22
23	Cash and Temporary Cash Balance	Schedule 200, line 1 + line 2, column b	1,470,304	23
24	Cash Working Capital Allowed	Lesser line 22 and line 23	602,939	24
<b>MATERIALS AND SUPPLIES</b>				
25	Total Material and Supplies (712)	Note A	222,912	25
Scrap and Obsolete Material included				
26	in Acct. 712	Note A		26
Materials and Supplies held for Common				
27	Carrier Purposes	Line 25 - line 26	222,912	27
28	<b>TOTAL WORKING CAPITAL</b>	Line 24 + line 27	<b>825,851</b>	28

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

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

(C) If result is negative, use zero.



**NOTES AND REMARKS**

Empty rectangular box for notes and remarks.

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

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

Symbol	Kind of Industry
I	Agriculture, forestry, and fisheries
II	Mining
III	Construction
IV	Manufacturing
V	Wholesale and retail trade
VI	Finance, insurance, and real estate
VII	Transportation, communications, and other public utilities
VIII	Services
IX	Government
X	All other
5. By carriers, as the term is used here, is meant companies owning or operating railroads, facilities auxiliary thereto such as bridges, ferries, union depots, and other terminal facilities, sleeping cars, parlor cars, dining cars, freight cars, express services and facilities, electric railways, highway motor vehicles, steamboats and other marine transportation equipment, pipe lines (other than those for transportation of water), and other instrumentalities devoted to the transportation of persons or property for hire. Telegraph and telephone companies are not meant to be included.
6. Noncarrier companies should, for the purposes of these schedules, include telephone companies, telegraph companies, mining companies, manufacturing companies, hotel companies, etc. Purely holding companies are to be classified as noncarrier companies, even though the securities held by such companies are largely or entirely issued or assumed by carriers.
7. By an active corporation is meant one which maintains an organization for operating property or administering its financial affairs. An inactive corporation is one which has been practically absorbed in a controlling corporation and which neither operates property nor administers its financial affairs. If it maintains an organization it does so only for the purpose of complying with legal requirements and maintaining title to property or franchises.
8. Combine in one account investments in which the original cost or present equity in total assets is less than \$10,000.
9. Include investments in unincorporated entities such as lessee organizations. Exclude amounts normally settled on a current basis.
10. Do not include the value of securities issue 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. (a)	Class No. (b)	Kind of industry (c)	Name of issuing company and also lien reference, if any (include rate for preferred stocks and bonds) (d)	Extent of Control (e)	Line No.
1	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

**NOTES AND REMARKS**

- |   |   |
|---|---|
| (1) Controlled jointly-other RRs own 75%    | (6) Controlled jointly-other RRs own 80.35% |
| (2) Controlled jointly-other RRs own 91.67% | (7) CSX Transp., Inc. owns 50%              |
| (3) Controlled jointly-other RRs own 59.36% | (8) CSX Transp., Inc. owns 50%              |
| (4) CSX Transp., Inc. owns 50%              | (9) CSX Transp., Inc. owns 66.67%           |
| (5) Controlled jointly-other RRs own 85.71% | (10) CSX Transp., Inc. owns 50%             |

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

(Dollars in Thousands)

6. If any of the companies in this schedule are controlled by respondent the percent of control should be shown in column (e).  
In case any company listed is controlled other than through actual ownership of securities, give particulars in a footnote. In cases of joint control, give names of other parties and particulars of control.
7. If any advances reported are pledged, give particulars in a footnote.
8. Investments in companies in which neither the original cost or present equity in total assets are less than \$10,000 may be combined in one figure.
9. Also included should be investments in unincorporated entities such as lessee organizations (exclusive of amounts nominally settled on a current basis).
10. This schedule should not include securities issued or assumed by respondent.
11. For affiliates which do not report to the Interstate Commerce Commission and are jointly owned, give names and extent of control of other entities by footnotes.

Line No.	Investments and advances				Disposed of: profit (loss)	Adjustments Account 721.5	Dividends or interest credited to income	Line No.
	Opening balance	Additions	Deductions (if other than sale, explain)	Closing balance				
	(f)	(g)	(h)	(i)	(j)	(k)	(l)	
1	173			173		20		1
2	-			-				2
3	157			157				3
4	1,323			1,323				4
5	330			330				5
6	309			309				6
7	28			28				7
8	19			19				8
9	35			35				9
10	120			120				10
11	19			19				11
12	-			-				12
13	301,108			301,108				13
14	153,096	215		153,311				14
15								15
16	456,717	215	-	456,932	-	20		16
17								17
18								18
19								19
20								20
21								21
22	5,351	942		6,293				22
23	46,050	10,600		56,650				23
24	1,256,637	629,741		1,886,378				24
25	200			200				25
26	1,308,238	641,283	-	1,949,521				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

**NOTES AND REMARKS**

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

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

(13) KCS owns 70.80% of this LLC

(14) Boston &amp; Maine owns 50%

(15) Controlled jointly - Other RRs own 85.71%

(16) Controlled jointly - Other RRs own 75%

(17) Line 24, col. (f) and col. (i) see note 11, page 10

(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						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

**NOTES AND REMARKS**

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

(Dollars in Thousands)

Line No.	Opening balance (f)	Investments and advances			Disposed of: profit (loss) (j)	Adjustments Account 721.5 (k)	Dividends or interest credited to income (l)	Line No.
		Additions (g)	Deductions (if other than sale, explain) (h)	Closing balance (i)				
1	114		114	-				1
2	3,133			3,133				2
3	170			170				3
4	25			25				4
5	1,089			1,089				5
6	5			5				6
7	5			5				7
8	10			10				8
9	-	3,897	910	2,987				9
10								10
11								11
12	4,551	3,897	1,024	7,424				12
13								13
14	39,731			39,731				14
15	4,008	22		4,030				15
16	383			383				16
17								17
18	44,122	22	-	44,144				18
19								19
20								20
21								21
22	1,813,628	645,417	1,024	2,458,021		20		22
23								23
24				(20)	721.5 Total			24
25				393,273	Sch. 310A Total			25
26				2,851,274				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

**NOTES AND REMARKS**

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	15,796		2,186			17,982	2
3	Central Transfer and Storage Co.	16					16	3
4	Meridian Speedway, LLC	(20,057)		(2,671)			(22,728)	4
5	Peoria and Pekin Union Rwy.	(386)	(691)	704			(373)	5
6	TTX Company	383,186		20,157			403,343	6
7	Winston-Salem Southbound Rwy.	5,424		585			6,009	7
8	Woodstock and Blocton Rwy. Co.	2	(6)	6			2	8
9	Pan Am Southern, LLC	1,750		138			1,888	9
10								10
11	Total Carriers	385,787	(697)	21,105			406,195	11
12								12
13	Noncarriers (List specifics for each company)							13
14	PTC 220, LLC	(397)		(146)			(543)	14
15	Meteorcomm, LLC	(8,704)		(4,843)			(13,547)	15
16	Roanoke Valley Development Corporation	1,771		(603)			1,168	16
17								17
18	Total Noncarriers	(7,330)		(5,592)			(12,922)	18
19								19
20	Total Equity*	378,457	(697)	15,513			393,273	20
21								21

**NOTES AND REMARKS**

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 (\$5,001). 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 \$14,997 and adjustments to Other Comprehensive Income and Retained Earnings equals \$5,517

**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))**

670,707	Schedule 410, Lines 136 - 138, Column (h)
4,620	Shop Machinery Schedule 335, Line 26, column(c)
11,548	Depreciation capitalized
<u>686,875</u>	Total
670,954	Schedule 335, Line 30, Column (c)
-	Schedule 339, Line 41, Column (c)
15,921	Schedule 342, Line 29, Column (c)
<u>686,875</u>	Total

**Equipment (Column (c))**

287,820	Schedule 410, Sum of lines 213,232,317, Column (h)
(4,620)	Shop Machinery
-	Other
<u>283,200</u>	Total
283,016	Schedule 335, Line 40, Column (c)
184	Schedule 342, Line 38, Column (c)
<u>283,200</u>	

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

15,921	Road
184	Equipment
<u>16,105</u>	Schedule 342, Line 39

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

10,176,152	Schedule 335, Line 41, Column (g)
293,972	Schedule 342, Line 39, Column (g)
<u>10,470,124</u>	
<u>10,470,124</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	2,098,804		0	1
2		(3) Grading	3,006,833		0	2
3		(4) Other, right-of-way expenditures	10,723		0	3
4		(5) Tunnels and subways	369,985		0	4
5		(6) Bridges, trestles, and culverts	2,447,055		0	5
6		(7) Elevated structures	42,582		0	6
7		(8) Ties	4,209,032		0	7
8		(9) Rail and other track material	5,698,734		0	8
9		(11) Ballast	2,128,690		0	9
10		(13) Fences, snow sheds, and signs	11,960		0	10
11		(16) Station and office buildings	703,337		0	11
12		(17) Roadway buildings	53,402		0	12
13		(18) Water stations	0		0	13
14		(19) Fuel stations	78,667		0	14
15		(20) Shops and enginehouses	372,500		0	15
16		(22) Storage warehouses	871		0	16
17		(23) Wharves and docks	4,682		0	17
18		(24) Coal and ore wharves	243,064		0	18
19		(25) TOFC/COFC terminals	648,438		0	19
20		(26) Communications systems	549,739		0	20
21		(27) Signals and interlocker	1,506,549		0	21
22		(29) Power plants	2,775		0	22
23		(31) Power-transmissions systems	40,455		0	23
24		(35) Miscellaneous structures	13,494		0	24
25		(37) Roadway machines	592,750		0	25
26		(39) Public improvements-Construction	369,899		0	26
27		(44) Shop machinery	138,138		0	27
28		(45) Power-plant machinery	15,287		0	28
29		Other (specify and explain)	0			29
30		TOTAL EXPENDITURES FOR ROAD	25,358,445		0	30
31		(52) Locomotives *	4,576,126		0	31
32		(53) Freight-train cars	3,214,151		0	32
33		(54) Passenger-train cars	0		0	33
34		(55) Highway revenue equipment	418,918		0	34
35		(56) Floating equipment	0		0	35
36		(57) Work equipment	150,428		0	36
37		(58) Miscellaneous equipment	247,486		0	37
38		(59) Computer systems and word processing equip	479,788		0	38
39		TOTAL EQUIPMENT	9,086,897		0	39
40		(76) Interest during construction	0			40
41		(80) Other elements of investment	0			41
42		(90) Construction in progress	577,425			42
43		GRAND TOTAL	35,022,767		0	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		23,446	(327)	23,773	2,122,577	1
2		35,228	3	35,225	3,042,058	2
3		8,093	0	8,093	18,816	3
4		381	(616)	997	370,982	4
5		66,095	9,154	56,941	2,503,996	5
6		0	0	0	42,582	6
7		269,281	60,199	209,082	4,418,114	7
8		355,439	120,002	235,437	5,934,171	8
9		144,743	28,939	115,804	2,244,494	9
10		33	0	33	11,993	10
11		26,272	965	25,307	728,644	11
12		0	8	(8)	53,394	12
13		0	0	0	0	13
14		15,587	925	14,662	93,329	14
15		66,390	3,038	63,352	435,852	15
16		0	0	0	871	16
17		6	(362)	368	5,050	17
18		16,660	7,969	8,691	251,755	18
19		103,099	20,727	82,372	730,810	19
20		35,209	580	34,629	584,368	20
21		133,718	31,042	102,676	1,609,225	21
22		0	0	0	2,775	22
23		287	125	162	40,617	23
24		0	7	(7)	13,487	24
25		57,355	19,145	38,210	630,960	25
26		39,635	33,783	5,852	375,751	26
27		3,138	133	3,005	141,143	27
28		0	0	0	15,287	28
29						29
30		1,400,095	335,439	1,064,656	26,423,101	30
31		255,787	17,854	237,933	4,814,059	31
32		208,396	197,872	10,524	3,224,675	32
33		0	0	0	0	33
34		42,444	1,461	40,983	459,901	34
35		0	0	0	0	35
36		11,363	(955)	12,318	162,746	36
37		5,354	13,873	(8,519)	238,967	37
38		61,337	28,233	33,104	512,892	38
39		584,681	258,338	326,343	9,413,240	39
40		0	0	0	0	40
41		0	0	0	0	41
42		(14,199)	4,667	(18,866)	558,559	42
43		1,970,577	598,444	1,372,133	36,394,900	43

**332. DEPRECIATION BASE AND RATES - ROAD AND EQUIPMENT OWNED AND USED AND LEASED FROM OTHERS**  
(Dollars in Thousands)

- 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 therefore 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 therefrom 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.
- 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.
- Show in columns (e), (f), and (g) data applicable to Lessor property, when the rent therefore 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.
- 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.
- Disclosures in the respective sections of this schedule may be omitted if either total road leased from other or total equipment leased from others represents less than 5% of total road owned or total equipment owned, respectively.

Line No.	Account (a)	OWNED AND USED			LEASED FROM OTHERS			Line No.
		Depreciation base		Annual composite rate (percent) (d)	Depreciation base		Annual composite rate (percent) (g)	
		1/1 At beginning of year (b)	12/1 At close of year (c)		1/1 At beginning of year (e)	12/1 At close of year (f)		
<b>ROAD</b>								
1	(3) Grading	2,952,174	2,968,284	2.38%				1
2	(4) Other, right-of-way expenditures	10,177	18,233	1.11%				2
3	(5) Tunnels and subways	369,676	370,673	1.14%				3
4	(6) Bridges, trestles, and culverts	2,400,456	2,440,471	1.60%				4
5	(7) Elevated structures*	42,582	42,582	6.65%				5
6	(8) Ties	3,992,118	4,176,974	4.63%				6
7	(9) Rail and other track material	5,236,120	5,428,330	2.57%				7
8	(11) Ballast	2,006,752	2,114,017	2.72%				8
9	(13) Fences, snow sheds, and signs	11,734	11,767	1.09%				9
10	(16) Station and office buildings	663,584	682,465	2.49%				10
11	(17) Roadway buildings	53,199	53,191	2.30%				11
12	(18) Water stations	0	0	0.00%				12
13	(19) Fuel stations	78,252	78,270	3.31%				13
14	(20) Shops and enginehouses	363,628	416,320	2.04%	<b>NOT APPLICABLE - 5 % RULE</b>			14
15	(22) Storage warehouses	871	871	2.50%				15
16	(23) Wharves and docks	4,680	4,666	3.33%				16
17	(24) Coal and ore wharves	243,064	250,161	3.09%				17
18	(25) TOFC/COFC terminals	644,924	672,718	3.09%				18
19	(26) Communications systems	544,747	572,019	3.90%				19
20	(27) Signals and interlocker	1,462,572	1,528,692	1.83%				20
21	(29) Power plants	2,771	2,771	3.08%				21
22	(31) Power-transmissions systems	39,982	40,046	2.27%				22
23	(35) Miscellaneous structures	12,926	12,920	2.58%				23
24	(37) Roadway machines	592,746	623,925	5.35%				24
25	(39) Public improvements-Construction	355,206	359,264	7.75%				25
26	(44) Shop machinery	138,138	150,817	3.62%				26
27	(45) Power-plant machinery	15,285	15,285	2.27%				27
28	All other road accounts	0	0	0.00%				28
29	Amortization (Adjustments)	0	0	0.00%				29
30	<b>TOTAL ROAD</b>	<b>22,238,364</b>	<b>23,035,732</b>	<b>2.97%</b>				<b>30</b>
<b>EQUIPMENT</b>								
31	(52) Locomotives	4,573,433	4,777,445	3.44%				31
32	(53) Freight-train cars	3,214,120	3,199,997	2.83%				32
33	(54) Passenger-train cars	0	0	0.00%				33
34	(55) Highway revenue equipment	418,918	459,703	7.41%				34
35	(56) Floating equipment	0	0	0.00%				35
36	(57) Work equipment	150,363	161,542	2.47%				36
37	(58) Miscellaneous equipment	247,486	238,722	7.76%				37
38	(59) Computer systems and word processing equipment	479,788	491,237	11.51%				38
39	<b>TOTAL EQUIPMENT</b>	<b>9,084,108</b>	<b>9,328,646</b>	<b>3.87%</b>				<b>39</b>
40	<b>GRAND TOTAL</b>	<b>31,322,472</b>	<b>32,364,378</b>	<b>3.22%</b>				<b>40</b>

**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. Include authorized amortization amounts in column (c) on the lines for the affected accounts.

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO RESERVE During the year		DEBITS TO RESERVE During the year		Balance at close of year (g)	Line No.
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
		<b>ROAD</b>							
1		(3) Grading	663,804	65,795	44	65	0	729,578	1
2		(4) Other, right-of-way expenditures	1,863	127	0	0	5	1,985	2
3		(5) Tunnels and subways	48,401	4,130	0	(3)	0	52,534	3
4		(6) Bridges, trestles, and culverts	371,278	37,265	8	8,549	0	400,002	4
5		(7) Elevated structures	39,134	452	0	0	0	39,586	5
6		(8) Ties	1,278,649	181,417	1,834	100,891	0	1,361,009	6
7		(9) Rail and other track material	1,619,285	134,866	0	66,168	1,373	1,686,610	7
8		(11) Ballast	385,549	56,678	0	25,595	873	415,759	8
9		(13) Fences, snow sheds, and signs	3,845	122	0	0	0	3,967	9
10		(16) Station and office buildings	271,689	14,163	2,383	1,320	0	286,915	10
11		(17) Roadway buildings	30,568	1,015	0	8	29	31,546	11
12		(18) Water stations	0	0	0	0	0	0	12
13		(19) Fuel stations	19,581	2,616	10	243	0	21,964	13
14		(20) Shops and enginehouses	104,693	7,723	1	3,046	0	109,371	14
15		(22) Storage warehouses	981	2	0	0	0	983	15
16		(23) Wharves and docks	1,911	98	0	(265)	0	2,274	16
17		(24) Coal and ore wharves	102,801	7,548	0	7,988	0	102,361	17
18		(25) TOFC/COFC terminals	180,653	19,824	667	11,029	0	190,115	18
19		(26) Communications systems	287,073	18,223	186	210	0	305,272	19
20		(27) Signals and interlocker	270,882	26,568	0	36,866	25	260,559	20
21		(29) Power plants	2,509	24	0	0	0	2,533	21
22		(31) Power-transmissions systems	15,616	774	22	61	0	16,351	22
23		(35) Miscellaneous structures	8,947	251	501	6	0	9,693	23
24		(37) Roadway machines	201,702	29,106	0	17,092	0	213,716	24
25		(39) Public improvements-Construction	(117,120)	57,307	0	31,114	2	(90,929)	25
26		(44) Shop machinery*	52,556	4,620	0	(52)	0	57,228	26
27		(45) Power-plant machinery	10,330	240	0	0	0	10,570	27
28		All other road accounts	0	0	0	0	0	0	28
29		Amortization (Adjustments)	0	0	0	0	0	0	29
30		<b>TOTAL ROAD</b>	<b>5,857,180</b>	<b>670,954</b>	<b>5,656</b>	<b>309,931</b>	<b>2,307</b>	<b>6,221,552</b>	<b>30</b>
		<b>EQUIPMENT</b>							
31	*	(52) Locomotives	1,795,505	141,217	21	18,775	0	1,917,968	31
32	*	(53) Freight-train cars	1,502,166	48,807	0	123,116	0	1,427,857	32
33	*	(54) Passenger-train cars	0	0	0	0	0	0	33
34	*	(55) Highway revenue equipment	127,136	28,686	0	1,544	0	154,278	34
35	*	(56) Floating equipment	0	0	0	0	0	0	35
36	*	(57) Work equipment	62,761	2,450	0	(751)	0	65,962	36
37	*	(58) Miscellaneous equipment	91,998	16,712	0	12,566	0	96,144	37
38		(59) Computer systems and WP Equip.	270,628	45,144	0	23,381	0	292,391	38
39	*	Amortization Adjustments	0	0	0	0	0	0	39
40		<b>TOTAL EQUIPMENT</b>	<b>3,850,194</b>	<b>283,016</b>	<b>21</b>	<b>178,631</b>	<b>0</b>	<b>3,954,600</b>	<b>40</b>
41		<b>GRAND TOTAL</b>	<b>9,707,374</b>	<b>953,970</b>	<b>5,677</b>	<b>488,562</b>	<b>2,307</b>	<b>10,176,152</b>	<b>41</b>

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

**NOTES AND REMARKS**

Certain comparative amounts have been reclassified to conform to the current year presentation.

**339. ACCRUED LIABILITY - LEASED PROPERTY**

(Dollars in Thousands)

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

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

- 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.
- 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.
- 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.
- Disclosures in the respective sections of this schedule may be omitted if either total road leased from others or total equipment leased from others represents less than 5% of total road owned or total equipment owned, respectively. However, line 41, Grand Total, should be completed.

Line No.	Account (a)	Depreciation base		Annual composite rate (percent) (d)	No.
		At beginning of year (b)	At close of year (c)		
	<b>ROAD</b>				
1	(3) Grading				1
2	(4) Other, right-of-way expenditures				2
3	(5) Tunnels and subways				3
4	(6) Bridges, trestles, and culverts				4
5	(7) Elevated structures				5
6	(8) Ties				6
7	(9) Rail and other track material				7
8	(11) Ballast				8
9	(13) Fences, snow sheds, and signs				9
10	(16) Station and office buildings				10
11	(17) Roadway buildings				11
12	(18) Water stations				12
13	(19) Fuel stations				13
14	(20) Shops and enginehouses	<b>NOT APPLICABLE - 5 % RULE</b>			14
15	(22) Storage warehouses				15
16	(23) Wharves and docks				16
17	(24) Coal and ore wharves				17
18	(25) TOFC/COFC terminals				18
19	(26) Communications systems				19
20	(27) Signals and interlocker				20
21	(29) Power plants				21
22	(31) Power-transmissions systems				22
23	(35) Miscellaneous structures				23
24	(37) Roadway machines				24
25	(39) Public improvements-Construction				25
26	(44) Shop machinery*				26
27	(45) Power-plant machinery				27
28	All other road accounts				28
29	Amortization (Adjustments)				29
30	<b>TOTAL ROAD</b>				30
	<b>EQUIPMENT</b>				
31	(52) Locomotives				31
32	(53) Freight-train cars				32
33	(54) Passenger-train cars				33
34	(55) Highway revenue equipment				34
35	(56) Floating equipment				35
36	(57) Work equipment				36
37	(58) Miscellaneous equipment				37
38	(59) Computer systems and word processing equipment				38
39	Amortization Adjustments				39
40	<b>TOTAL EQUIPMENT</b>				40
41	<b>GRAND TOTAL</b>	779,697	817,616	2.63%	41

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

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

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

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO RESERVE During the year		DEBITS TO RESERVE During the year		Balance at close of year (g)	Line No.	
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)			
		<b>ROAD</b>								
1		(3) Grading							1	
2		(4) Other, right-of-way expenditures							2	
3		(5) Tunnels and subways							3	
4		(6) Bridges, trestles, and culverts							4	
5		(7) Elevated structures							5	
6		(8) Ties							6	
7		(9) Rail and other track material							7	
8		(11) Ballast							8	
9		(13) Fences, snow sheds, and signs							9	
10		(16) Station and office buildings							10	
11		(17) Roadway buildings							11	
12		(18) Water stations							12	
13		(19) Fuel stations		<b>NOT APPLICABLE - 5 % RULE</b>						13
14		(20) Shops and enginehouses							14	
15		(22) Storage warehouses							15	
16		(23) Wharves and docks							16	
17		(24) Coal and ore wharves							17	
18		(25) TOFC/COFC terminals							18	
19		(26) Communications systems							19	
20		(27) Signals and interlocker							20	
21		(29) Power plants							21	
22		(31) Power-transmissions systems							22	
23		(35) Miscellaneous structures							23	
24		(37) Roadway machines							24	
25		(39) Public improvements-Construction							25	
26		(44) Shop machinery*							26	
27		(45) Power-plant machinery							27	
28		All other road accounts							28	
29		<b>TOTAL ROAD</b>							29	
		<b>EQUIPMENT</b>								
30		(52) Locomotives							30	
31		(53) Freight-train cars							31	
32		(54) Passenger-train cars							32	
33		(55) Highway revenue equipment							33	
34		(56) Floating equipment							34	
35		(57) Work equipment							35	
36		(58) Miscellaneous equipment							36	
37		(59) Computer systems and WP equip.							37	
38		<b>TOTAL EQUIPMENT</b>							38	
39		<b>GRAND TOTAL</b>	294,933	16,105	2,307	13,696	5,677	293,972	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:

2 (Land for transportation purpose - Operating) from 2 (Land for transportation purpose - Non-Operating)	370,871.22
5 (Tunnels and subways) from 6 (Bridges, trestles, and culverts)	629,885.97
6 (Bridges, trestles, and culverts) from 25 (TOFC/COFC terminals)	326,009.46
6 (Bridges, trestles, and culverts) to 5 (Tunnels and subways)	(629,885.97)
16 (Station and office buildings) from 19 (Fuel stations)	791,508.86
16 (Station and office buildings) from 37 (Roadway machines)	106,779.51
19 (Fuel stations) to 16 (Station and office buildings)	(791,508.86)
23 (Wharves and docks) from 25 (TOFC/COFC terminals)	382,932.50
25 (TOFC/COFC terminals) to 6 (Bridges, trestles, and culverts)	(326,009.46)
25 (TOFC/COFC terminals) to 23 (Wharves and docks)	(382,932.50)
25 (TOFC/COFC terminals) to 27 (Signals and interlocker)	(9,206,104.73)
25 (TOFC/COFC terminals) to 59 (Computer systems and word processing equip)	(153,304.24)
26 (Communications systems - Operating) to 26 (Communication systems - Non-Operating)	(453,922.99)
27 (Signals and interlocker) from 25 (TOFC/COFC terminals)	9,206,104.73
37 (Roadway machines) to 16 (Station and office buildings)	(106,779.51)
52 (Locomotives) from 59 (Computer systems and word processing equip)	5,871,104.69
52 (Locomotives) to 57 (Work Equipment)	(100,205.86)
53 (Freight-train cars) to 57 (Work equipment)	(1,661,243.02)
57 (Work equipment) from 52 (Locomotives)	100,205.86
57 (Work equipment) from 53 (Freight-train cars)	1,661,243.02
59 (Computer systems and word processing equip) to 52 (Locomotives)	(5,871,104.69)
59 (Computer systems and word processing equip) from 25 (TOFC/COFC terminals)	153,304.24

**SCHEDULE 335**

Column (D) Other Credits

44 Excess Reserve Transferred from Leasehold Improvement Accumulated Reserve	
8 Excess Reserve Transferred from Leasehold Improvement Accumulated Reserve	
1,834 Excess Reserve Transferred from Leasehold Improvement Accumulated Reserve	
2,383 Excess Reserve Transferred from Leasehold Improvement Accumulated Reserve	
10 Excess Reserve Transferred from Leasehold Improvement Accumulated Reserve	
1 Excess Reserve Transferred from Leasehold Improvement Accumulated Reserve	
667 Excess Reserve Transferred from Leasehold Improvement Accumulated Reserve	
186 Excess Reserve Transferred from Leasehold Improvement Accumulated Reserve	
22 Excess Reserve Transferred from Leasehold Improvement Accumulated Reserve	
501 Excess Reserve Transferred from Leasehold Improvement Accumulated Reserve	
21 Excess Reserve Transferred from Leasehold Improvement Accumulated Reserve	

5,677 Total Other Credits

Column (F) Other Debits

5 Excess Reserve transferred to Leasehold Improvement Accumulated Reserve	
1,373 Excess Reserve transferred to Leasehold Improvement Accumulated Reserve	
873 Excess Reserve transferred to Leasehold Improvement Accumulated Reserve	
29 Excess Reserve transferred to Leasehold Improvement Accumulated Reserve	
25 Excess Reserve transferred to Leasehold Improvement Accumulated Reserve	
2 Excess Reserve transferred to Leasehold Improvement Accumulated Reserve	

2,307 Total Other Debits

**SCHEDULE 342**

Column (D) Other Credits

2,307 Excess Reserve transferred from Leasehold Improvement Accumulated Reserve

2,307

Column (F) Other Debits

5,677 Excess Reserve transferred to Leasehold Improvement Accumulated Reserve

5,677



**350. DEPRECIATION BASE AND RATES - ROAD AND EQUIPMENT LEASED TO OTHERS**  
(Dollars in Thousands)

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

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

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

**NOTES AND REMARKS**

Included in Schedule 332

**351. ACCUMULATED DEPRECIATION - ROAD AND EQUIPMENT LEASED TO OTHERS**

(Dollars in Thousands)

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

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

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

**NOTES AND REMARKS**

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	17,078	36,394,900	10,470,124	1
2						2
3	L	C & E Railroad Company	2	0		3
4	L	Cincinnati Southern Railway	335	53,089		4
5	L	Pittsburgh & West Virginia Railroad	121	49,540	33,110	5
6	L	P & WV Subleased to Wheeling & Lake Erie	(121)	(49,540)	(33,110)	6
7		SUB-TOTAL	337	53,089	0	7
8						8
9	O	Baltimore & Ohio Railroad		53		9
10	O	Carolina Aluminum Company	11	674		10
11	O	Central Transfer & Storage		12		11
12	O	Chicago & Illinois Midland Railway Company	10	13		12
13	O	Georgia Railroad & Banking Company		2		13
14		SUB-TOTAL	21	754	0	14
15						15
16		<b>Less Lines Leased to or Operated by Others</b>				16
17	R	Aberdeen Carolina Western	104	14,907		17
18	R	Adrienne Blissfield Railroad	2	246		18
19	R	Aiken Railway Company	17	3,726		19
20	R	Ann Arbor Railroad Inc	4	3,716		20
21	R	Athens Lines LLC	38	6,223		21
22	R	Autauga Northern Railway	42	17,432		22
23	R	BN Railroad	27	2,864		23
24	R	Buffalo & Pittsburgh Railroad	71	18,831		24
25	R	C & NC Railroad	22	2,380		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	C S X, Corp.	20	2,893		26
27	R	Carolina Coastal Railway	154	10,331		27
28	R	Central of Georgia	9	1,702		28
29	R	Central New York Railroad	123	63,694		29
30	R	Central Railroad Company of Indianapolis	5	737		30
31	R	Charleston, Blue Creek & Sanderson	27	8,703		31
32	R	Chattanooga Chickamauga Railway	19	2,163		32
33	R	Chesapeake & Albemarle Railway	77	10,211		33
34	R	Cleveland Commerical Railroad	24	26,045		34
35	R	Columbus & Chattahoochee Railroad	26	10,451		35
36	R	Commonwealth Railway Company	13	1,345		36
37	R	East Chattanooga Belt Railway	4	605		37
38	R	East Penn Railroad LLC	5	5,194		38
39	R	Eastern Shore Railroad	5	558		39
40	R	Elkhart & Western	23	7,678		40
41	R	Georgia & Florida Railway Company	58	7,559		41
42	R	Georgia Southwestern Railway	50	5,497		42
43	R	Grand Elk Railroad LLC	123	55,023		43
44	R	Great Walton Railroad Company	27	3,453		44
45	R	Hilton & Albany Railroad	53	18,890		45
46	R	Iowa Interstate	14	1,496		46
47	R	Jackson & Lansing Railroad	45	18,304		47
48	R	Lehigh Railway	56	45,116		48
49	R	Metra	33	3,540		49
50	R	Middletown & New Jersey Railroad LLC	36	21,044		50
51	R	Midwest Rail LLC	2	0		51
52	R	Ogeechee Railway	57	7,778		52
53	R	R J Corman Co. - Western Ohio Line	16	1,754		53
54	R	Railtex	72	10,675		54
55	R	RSL Railroad LLC	1	1,666		55
56	R	South Carolina Central Railroad	79	10,379		56
57	R	West Tennessee Railway Company	138	19,958		57
58	R	Western New York & Pennsylvania Railroad Company	83	33,518		58
59	R	Yadkin Valley Railroad	93	8,776		59
60	R	SUB-TOTAL	1,897	497,061		0 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	15,539	35,951,682	10,470,124	75

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

- 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.
- 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.
- 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.
- 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	2,064,577	5,493		1	1
2		(3) Grading	2,972,707	21,826		12	2
3		(4) Other, right-of-way expenditures	16,891	137		0	3
4		(5) Tunnels and subways	370,771	5,574		0	4
5		(6) Bridges, trestles, and culverts	2,453,709	10,687		71	5
6		(7) Elevated structures	42,582	0		0	6
7		(8) Ties	4,302,267	1,174		225	7
8		(9) Rail and other track material	5,803,385	5,884		337	8
9		(11) Ballast	2,184,101	2,156		97	9
10		(13) Fences, snow sheds, and signs	11,933	181		0	10
11		(16) Station and office buildings	727,691	1,288		0	11
12		(17) Roadway buildings	53,359	71		0	12
13		(18) Water stations	0	24		0	13
14		(19) Fuel stations	93,317	70		0	14
15		(20) Shops and enginehouses	435,737	47		0	15
16		(22) Storage warehouses	871	0		0	16
17		(23) Wharves and docks	5,050	0		0	17
18		(24) Coal and ore wharves	251,755	0		0	18
19		(25) TOFC/COFC terminals	730,356	0		0	19
20		(26) Communications systems	582,283	204		5	20
21		(27) Signals and interlocker	1,605,612	666		3	21
22		(29) Power plants	2,775	0		0	22
23		(31) Power-transmissions systems	40,517	0		0	23
24		(35) Miscellaneous structures	13,484	6		0	24
25		(37) Roadway machines	630,960	0		0	25
26		(39) Public improvements-Construction	372,920	1,445		3	26
27		(44) Shop machinery*	141,143	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	25,926,040	60,618	0	754	31
32		(52) Locomotives	4,814,059	0		0	32
33		(53) Freight-train cars	3,224,675	0		0	33
34		(54) Passenger-train cars	0	0		0	34
35		(55) Highway revenue equipment	459,901	0		0	35
36		(56) Floating equipment	0	0		0	36
37		(57) Work equipment	162,746	0		0	37
38		(58) Miscellaneous equipment	238,967	0		0	38
39		(59) Computer systems and word processing equip	512,892	0		0	39
40		TOTAL EQUIPMENT	9,413,240	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	558,559	0		0	43
44		GRAND TOTAL	35,897,839	53,089	0	754	44

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

Cross Checks

**Schedule 410**

Line 620, column (h)  
Line 620, column (f)  
Line 620, column (g)

= Line 14, column (b)  
= Line 14, column (d)  
= Line 14, column (e)

**Schedule 414**

Line 231, column (f)  
Line 230, column (f)

= Line 19, columns (b) through (d)  
= Line 19, columns (e) through (g)

**Schedule 417**

Line 507, column (f)  
Line 508, column (f)  
Line 509, column (f)  
Line 510, column (f)  
Line 511, column (f)  
Line 512, column (f)  
Line 513, column (f)  
Line 514, column (f)  
Line 515, column (f)  
Line 516, column (f)  
Line 517, column (f)

= Line 1, column (j)  
= Line 2, column (j)  
= Line 3, column (j)  
= Line 4, column (j)  
= Line 5, column (j)  
= Line 6, column (j)  
= Line 7, column (j)  
= Line 8, column (j)  
= Line 9, column (j)  
= Line 10, column (j)  
= 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	1,116	1,046	5,683	6,826	14,671		14,671	1
2		Bridge and Building	14	215	11,474	470	12,173		12,173	2
3		Signal	133	623	1,578	1,816	4,150		4,150	3
4		Communication	12	26	805	517	1,360		1,360	4
5		Other	1,477				1,477		1,477	5
		TOTAL ADMINISTRATION	2,752	1,910	19,540	9,629	33,831		33,831	
		REPAIR AND MAINTENANCE:								
6		Roadway - Running	16,171	693	28,286		45,150		45,150	6
7		Roadway - Switching	1,383	7	584		1,974		1,974	7
8		Tunnels and Subways - Running	1		347		348		348	8
9		Tunnels and Subways - Switching			23		23		23	9
10		Bridges and Culverts - Running	17,598	1,348	12,264	2,735	33,945		33,945	10
11		Bridges and Culverts - Switching	817	135	954	137	2,043		2,043	11
12		Ties - Running	5,863	4,619	529	2,520	13,531		13,531	12
13		Ties - Switching	128	351			479		479	13
14		Rail and Other Track Material - Running	72,831	20,330	28,851	12,831	134,843		134,843	14
15		Rail and Other Track Material - Switching	3,966	1,720	1,659	490	7,835		7,835	15
16		Ballast - Running	5,045	1,632	1,053	257	7,987		7,987	16
17		Ballast - Switching	294	93	66	7	460		460	17
18		Road Property Damaged - Running	5,337	5,624	5,014	20	15,995		15,995	18
19		Road Property Damaged - Switching								19
20		Road Property Damaged - Other	12	5	26		43		43	20
21		Signals and Interlockers - Running	32,520	13,477	10,446	3,872	60,315		60,315	21
22		Signals and Interlockers - Switching	4,623	207	13	49	4,892		4,892	22
23		Communications Systems	4,350	2,215	11,638	20	18,223		18,223	23
24		Power Systems	935	255			1,190		1,190	24
25		Highway Grade Crossings- Running	790	475	7,943	477	9,685		9,685	25
26		Highway Grade Crossings- Switching		51	179		230		230	26
27		Station and Office Buildings	1,130	1,877	9,587	21	12,615		12,615	27
28		Shop Buildings - Locomotives	2,927	1,891	8,958	9	13,785		13,785	28
29		Shop Buildings - Freight Cars	706	1,643	2,116		4,465	N/A	4,465	29
30		Shop Buildings - Other Equipment	28	102	33		163		163	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	10		148		158		158	101
102		Miscellaneous Buildings and Structures	934	630	2,038		3,602		3,602	102
103		Coal Terminals	2,788	2,095	1,960	2	6,845	N/A	6,845	103
104		Ore Terminals						N/A		104
105		Other Marine Terminals						N/A		105
106		TOFC/COFC Terminals	168	2,803	6,323		9,294	N/A	9,294	106
107		Motor Vehicle Loading and Distribution Facilities			297		297	N/A	297	107
108		Facilities for Other Specialized Service Operations		838	1,479	84	2,401	N/A	2,401	108
109		Roadway Machines	11,435	29,321	1,692	1,540	43,988		43,988	109
110		Small Tools and Supplies		22,605	2,190		24,795		24,795	110
111		Snow Removal	4,540	81	4,446	1	9,068		9,068	111
112		Fringe Benefits - Running				125,995	125,995		125,995	112
113		Fringe Benefits - Switching				4,384	4,384		4,384	113
114		Fringe Benefits - Other				12,434	12,434		12,434	114
115		Casualties and Insurance - Running				17,540	17,540		17,540	115
116		Casualties and Insurance - Switching				1,047	1,047		1,047	116
117		Casualties and Insurance - Other				3,035	3,035		3,035	117
118	*	Lease Rentals - Debit- Running			39,083		39,083		39,083	118
119	*	Lease Rentals - Debit - Switching			139,088		139,088		139,088	119
120	*	Lease Rentals - Debit - Other			11,183		11,183		11,183	120
121	*	Lease Rentals - (Credit) - Running			(10,143)		(10,143)		(10,143)	121
122	*	Lease Rentals - (Credit) - Switching								122
123	*	Lease Rentals - (Credit) - Other								123
124		Joint Facility Rent - Debit - Running			5,742		5,742		5,742	124
125		Joint Facility Rent - Debit - Switching			1,556		1,556		1,556	125
126		Joint Facility Rent - Debit - Other			90		90		90	126
127	*	Joint Facility Rent - (Credit) - Running			(11,758)		(11,758)		(11,758)	127
128	*	Joint Facility Rent - (Credit) - Switching			(621)		(621)		(621)	128
129	*	Joint Facility Rent - (Credit) - Other			(2)		(2)		(2)	129
130	*	Other Rents - Debit -Running			4,869		4,869		4,869	130
131	*	Other Rents - Debit -Switching								131
132	*	Other Rents - Debit -Other			2,547		2,547		2,547	132
133	*	Other Rents - (Credit) -Running								133
134	*	Other Rents - (Credit) -Switching								134
135	*	Other Rents - (Credit) -Other			(1,244)		(1,244)		(1,244)	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				341,954	341,954		341,954	136
137	*	Depreciation - Switching				52,095	52,095		52,095	137
138	*	Depreciation - Other				276,658	276,658		276,658	138
139		Joint Facility - Debit - Running			54,452		54,452		54,452	139
140		Joint Facility - Debit - Switching			7,056		7,056		7,056	140
141		Joint Facility - Debit - Other			290		290		290	141
142		Joint Facility - (Credit) - Running			(40,203)		(40,203)		(40,203)	142
143		Joint Facility - (Credit) - Switching			(1,931)		(1,931)		(1,931)	143
144		Joint Facility - (Credit) - Other			(263)		(263)		(263)	144
145		Dismantling Retired Road Property - Running								145
146		Dismantling Retired Road Property - Switching								146
147		Dismantling Retired Road Property - Other								147
148		Other - Running	2,132			1,445	3,577		3,577	148
149		Other - Switching			8		8		8	149
150		Other - Other			193		193		193	150
		TOTAL REPAIR AND MAINTENANCE	199,462	117,123	351,134	861,659	1,529,378		1,529,378	
151		TOTAL WAY AND STRUCTURES	202,214	119,033	370,674	871,288	1,563,209		1,563,209	151
		EQUIPMENT:								
		LOCOMOTIVES:								
201		Administration	7,698	541	1,268	1,398	10,905		10,905	201
202	*	Repair and Maintenance	103,836	205,878	21,326	170	331,210		331,210	202
203	*	Machinery Repair	3,979	2,195	883	1	7,058		7,058	203
204		Equipment Damaged	98	95	2		195		195	204
205		Fringe Benefits				50,440	50,440		50,440	205
206		Other Casualties and Insurance				10,900	10,900		10,900	206
207	*	Lease Rentals - Debit			7,489		7,489		7,489	207
208	*	Lease Rentals - (Credit)			(6,737)		(6,737)		(6,737)	208
209		Joint Facility Rent - Debit								209
210	*	Joint Facility Rent - (Credit)								210
211	*	Other Rents - Debit			279		279		279	211
212	*	Other Rents - (Credit)								212
213	*	Depreciation				142,534	142,534		142,534	213
214		Joint Facility - Debit								214
215		Joint Facility - (Credit)								215
216	*	Repairs Billed to Others - (Credit)			(4,009)		(4,009)		(4,009)	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	8,135	13		3	8,151		8,151	218
219		TOTAL LOCOMOTIVES	123,746	208,722	20,501	205,446	558,415		558,415	219
220		FREIGHT CARS: Administration	2,791	1,093	3,200	1,587	8,671	N/A	8,671	220
221	*	Repair and Maintenance	47,016	76,583	72,091	362	196,052	N/A	196,052	221
222	*	Machinery Repair	672	755	3,106		4,533	N/A	4,533	222
223		Equipment Damaged	1,412	2,205			3,617	N/A	3,617	223
224		Fringe Benefits				26,068	26,068	N/A	26,068	224
225		Other Casualties and Insurance				6,587	6,587	N/A	6,587	225
226	*	Lease Rentals - Debit			37,034		37,034	N/A	37,034	226
227	*	Lease Rentals - (Credit)			(11,200)		(11,200)	N/A	(11,200)	227
228		Joint Facility Rent - Debit						N/A		228
229	*	Joint Facility Rent - (Credit)						N/A		229
230	*	Other Rents - Debit			402,412		402,412	N/A	402,412	230
231	*	Other Rents - (Credit)			(171,110)		(171,110)	N/A	(171,110)	231
232	*	Depreciation				49,994	49,994	N/A	49,994	232
233		Joint Facility - Debit						N/A		233
234		Joint Facility - (Credit)						N/A		234
235	*	Repairs Billed to Others - (Credit)			(57,268)		(57,268)	N/A	(57,268)	235
236		Dismantling Retired Property						N/A		236
237		Other	6,975	23,707		137	30,819	N/A	30,819	237
238		TOTAL FREIGHT CARS	58,866	104,343	278,265	84,735	526,209	N/A	526,209	238
301		OTHER EQUIPMENT: Administration		309		1,322	1,631		1,631	301
302	*	Repair and Maintenance: Trucks, Trailers and Containers - Revenue Service		4,455	48,516	97	53,068	N/A	53,068	302
303	*	Floating Equipment - Revenue Service						N/A		303
304	*	Passenger and Other Revenue Equipment								304
305	*	Computer Systems and Word Processing Equipment		998	66,840	108	67,946		67,946	305
306	*	Machinery	200	275	34		509		509	306
307	*	Work and Other Non-Revenue Equipment	1,179	1,601	20,081	6	22,867		22,867	307
308		Machinery								308
309		Fringe Benefits				3,382	3,382		3,382	309
310		Other Casualties and Insurance				549	549		549	310
311	*	Lease Rentals - Debit			20,400		20,400		20,400	311

**410. RAILWAY OPERATING EXPENSES - Continued**

(Dollars in Thousands)

Line No.	Cross Check	Name of railway operating expense account (a)	FREIGHT					Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)			
		OTHER EQUIPMENT - Continued:								
312	*	Lease Rentals - (Credit)			(2)		(2)		(2)	312
313		Joint Facility Rent - Debit			96		96		96	313
314	*	Joint Facility Rent - (Credit)			(7)		(7)		(7)	314
315	*	Other Rents - Debit			23,209		23,209		23,209	315
316	*	Other Rents - (Credit)			(24,762)		(24,762)		(24,762)	316
317	*	Depreciation				95,292	95,292		95,292	317
318		Joint Facility - Debit			47		47		47	318
319		Joint Facility - (Credit)								319
320	*	Repairs Billed to Others - (Credit)			(6,145)		(6,145)		(6,145)	320
321		Dismantling Retired Property								321
322		Other								322
323		TOTAL OTHER EQUIPMENT	1,379	7,638	148,307	100,756	258,080		258,080	323
324		TOTAL EQUIPMENT	183,991	320,703	447,073	390,937	1,342,704		1,342,704	324
		TRANSPORTATION:								
		TRAIN OPERATIONS:								
401		Administration	14,045	5,217	5,731	7,293	32,286		32,286	401
402		Engine Crews	362,307	264	23,711	18,657	404,939		404,939	402
403		Train Crews	264,982	2,336	16,900	16,285	300,503		300,503	403
404		Dispatching Trains	42,510	57		62	42,629		42,629	404
405		Operating Signals and Interlockers	39,915	141	4	805	40,865		40,865	405
406		Operating Drawbridges	2,595				2,595		2,595	406
407		Highway Crossing Protection	306	91	4,057	149	4,603		4,603	407
408		Train Inspection and Lubrication	68,087	100			68,187		68,187	408
409	*	Locomotive Fuel		1,382,142			1,382,142		1,382,142	409
410		Electric Power Purchased or Produced for Motive Power								410
411		Servicing Locomotives	31,578	7,460	9,268	7	48,313		48,313	411
412		Freight Lost or Damaged - Solely Related								412
413		Clearing Wrecks	192	11	18,522		18,725		18,725	413
414		Fringe Benefits				354,537	354,537		354,537	414
415		Other Casualties and Insurance				28,256	28,256		28,256	415
416		Joint Facility - Debit			752		752		752	416
417		Joint Facility - (Credit)			(120)		(120)		(120)	417
418		Other	805	8	94,165	57	95,035		95,035	418
419		TOTAL TRAIN OPERATIONS	827,322	1,397,827	172,990	426,108	2,824,247		2,824,247	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	551	458	1,059	840	2,908		2,908	420
421		Switch Crews	184,777	1,128	26,821	812	213,538		213,538	421
422		Controlling Operations	33,585	39	59	4	33,687		33,687	422
423		Yard and Terminal Clerical	3,319	5,494	3,239	359	12,411		12,411	423
424		Operating Switches, Signals, Retarders and Humps		1,055	10		1,065		1,065	424
425	*	Locomotive Fuel		91,041			91,041		91,041	425
426		Electric Power Purchased or Produced for Motive Power								426
427		Servicing Locomotives	381			1	382		382	427
428		Freight Lost or Damaged - Soley Related								428
429		Clearing Wrecks	90				90		90	429
430		Fringe Benefits				107,600	107,600		107,600	430
431		Other Casualties and Insurance				7,026	7,026		7,026	431
432		Joint Facility - Debit			9,467		9,467		9,467	432
433		Joint Facility - (Credit)			(1,071)		(1,071)		(1,071)	433
434		Other			3		3		3	434
435		TOTAL YARD OPERATIONS	222,703	99,215	39,587	116,642	478,147		478,147	435
TRAIN AND YARD OPERATIONS COMMON:										
501		Cleaning Car Interiors	549	1	3,779		4,329		4,329	501
502		Adjusting and Transferring Loads	78	1	659		738	N/A	738	502
503		Car Loading Devices and Grain Doors	2				2	N/A	2	503
504		Freight Lost or Damaged - All Other				15,292	15,292		15,292	504
505		Fringe Benefits				238	238		238	505
506		TOTAL TRAIN AND YARD OPERATIONS COMMON	629	2	4,438	15,530	20,599		20,599	506
SPECIALIZED SERVICES OPERATIONS:										
507	*	Administration	30,361	1,258	13,363	536	45,518	N/A	45,518	507
508	*	Pickup and Delivery and Marine Line Haul	6,873	74,945	120,785	1,068	203,671	N/A	203,671	508
509	*	Loading and Unloading and Local Marine	6,259	4,260	294,653	295	305,467	N/A	305,467	509
510	*	Protective Services		795	204		999	N/A	999	510
511	*	Freight Lost or Damaged - Solely Related						N/A		511
512	*	Fringe Benefits				6,334	6,334	N/A	6,334	512
513	*	Casualties and Insurance				1,149	1,149	N/A	1,149	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	43,493	81,258	429,006	9,382	563,139	N/A	563,139	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		155	2,405	689	3,249		3,249	518
519		Employees Performing Clerical and Accounting Functions	19,195	676	2,251	1,523	23,645		23,645	519
520		Communications Systems Operation	2,751			19	2,770		2,770	520
521		Loss and Damage Claims Processing		40	1,890	7	1,937		1,937	521
522		Fringe Benefits				13,489	13,489		13,489	522
523		Casualties and Insurance				871	871		871	523
524		Joint Facility - Debit								524
525		Joint Facility - (Credit)								525
526		Other								526
527		TOTAL ADMINISTRATIVE SUPPORT OPERATIONS	21,946	871	6,546	16,598	45,961		45,961	527
528		TOTAL TRANSPORTATION	1,116,093	1,579,173	652,567	584,260	3,932,093		3,932,093	528
		GENERAL AND ADMINISTRATIVE:								
601		Officers - General Administration	64	1,981	867	1,872	4,784		4,784	601
602		Accounting, Auditing and Finance	3,315	107	6,428	994	10,844		10,844	602
603		Management Services and Data Processing	3,421	565	47,896	248	52,130		52,130	603
604		Marketing	451	218	10,484	4,471	15,624		15,624	604
605		Sales		74	566	184	824		824	605
606		Industrial Development	57	164	151	196	568	N/A	568	606
607		Personnel and Labor Relations	101	850	14,695	7,128	22,774		22,774	607
608		Legal and Secretarial		260	50,706	2,607	53,573		53,573	608
609		Public Relations and Advertising		377	15,919	1,238	17,534		17,534	609
610		Research and Development								610
611		Fringe Benefits				3,771	3,771		3,771	611
612		Casualties and Insurance				4,318	4,318		4,318	612
613		Writedown of Uncollectible Accounts				(849)	(849)		(849)	613
614		Property Taxes				126,801	126,801		126,801	614
615		Other Taxes Except on Corporate Income or Payrolls				33,337	33,337		33,337	615
616		Joint Facility - Debit			4		4		4	616
617		Joint Facility - (Credit)								617
618		Other	1,066	5,283	840,325	174,947	1,021,621		1,021,621	618
619		TOTAL GENERAL AND ADMINISTRATIVE	8,475	9,879	988,041	361,263	1,367,658		1,367,658	619
620	*	TOTAL CARRIER OPERATING EXPENSES	1,510,773	2,028,788	2,458,355	2,207,748	8,205,664		8,205,664	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.
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	66,286	18,321	(4,602)	2
3		4	Other, right-of-way expenditures	133	37	(5)	3
4		5	Tunnels and subways	4,138	1,144	(89)	4
5		6	Bridges, trestles, and culverts	37,948	10,489	(1,477)	5
6		7	Elevated structures	452	125	(2,380)	6
7		8	Ties	185,647	51,313	(9)	7
8		9	Rail and other track material	141,347	39,068	(1,806)	8
9		11	Ballast	58,444	16,154	585	9
10		13	Fences, snow sheds, and signs	123	34	(5)	10
11		16	Station and office buildings	14,986	4,142	(2,662)	11
12		17	Roadway buildings	1,018	281	(207)	12
13		18	Water stations	0	0	0	13
14		19	Fuel stations	2,626	726	10	14
15		20	Shops and enginehouses	7,784	2,151	(164)	15
16		22	Storage warehouses	2	1	(20)	16
17		23	Wharves and docks	98	27	(57)	17
18		24	Coal and ore wharves	7,548	2,086	41	18
19		25	TOFC/COFC terminals	19,854	5,488	(451)	19
20		26	Communications systems	18,400	5,086	(3,473)	20
21		27	Signals and interlocker	27,299	7,545	(967)	21
22		29	Power plants	24	7	(61)	22
23		31	Power-transmissions systems	782	216	(136)	23
24		35	Miscellaneous structures	268	74	(70)	24
25		37	Roadway machines	17,558	4,853	(3,140)	25
26		39	Public improvements-Construction	57,702	15,949	30,227	26
27		45	Power plant machines	240	66	(107)	27
28			Other lease/rentals				28
29	*		Total	670,707	185,383	8,975	29

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

(Dollars in Thousands)

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

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

Line No.	Cross Check	Type of Equipment (a)	GROSS AMOUNTS RECEIVABLE Per diem basis			GROSS AMOUNTS PAYABLE Per diem basis			Line No.
			Private line cars (b)	Mileage (c)	Time (d)	Private line cars (e)	Mileage (f)	Time (g)	
<b>CAR TYPES</b>									
1		Box-Plain 40 Foot							1
2		Box-Plain 50 Foot and Longer		226	682	15,990	1,317	4,052	2
3		Box-Equipped		9,239	29,418	140	10,517	41,040	3
4		Gondola-Plain		1,673	9,633	2,034	1,023	3,420	4
5		Gondola-Equipped		3,311	12,670	28	2,180	8,253	5
6		Hopper-Covered		2,510	10,796	6,021	3,882	13,633	6
7		Hopper-Open Top-General Service		52	1,354	2	256	601	7
8		Hopper-Open Top-Special Service		314	2,465	3	172	975	8
9		Refrigerator-Mechanical				9	955	2,746	9
10		Refrigerator-Non-Mechanical				4	685	1,266	10
11		Flat-TOFC/COFC			6,504	85,508	7,045	23,675	11
12		Flat-Multi-Level		485	33,398	62,718	2,894	29,671	12
13		Flat-General Service		32	97	358	205	50	13
14		Flat-Other		351	1,633	12,855	2,127	7,940	14
15		Tank-Under 22,000 Gallons				2,934			15
16		Tank-22,000 Gallons and Over				6,982			16
17		All Other Freight Cars			3,021	1	24	572	17
18		Auto Racks			41,246			35,649	18
19		<b>TOTAL FREIGHT TRAIN CARS</b>		<b>18,193</b>	<b>152,917</b>	<b>195,587</b>	<b>33,282</b>	<b>173,543</b>	19
<b>OTHER FREIGHT CARRYING EQUIPMENT</b>									
20		Refrigerated Trailers							20
21		Other Trailers							21
22		Refrigerated Containers							22
23		Other Containers			24,762	2,077		20,771	23
24	*	<b>TOTAL TRAILERS AND CONTAINERS</b>			<b>24,762</b>	<b>2,077</b>		<b>20,771</b>	24
25		<b>GRAND TOTAL (LINES 19 AND 24)</b>		<b>18,193</b>	<b>177,679</b>	<b>197,664</b>	<b>33,282</b>	<b>194,314</b>	25



**NOTES AND REMARKS**

[Empty rectangular box for notes and remarks]

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

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

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

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

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

Line No.	Cross Check	Types of equipment (a)	Repairs (net expense) (b)	Depreciation		Amortization Adjustment net during year (e)	Line No.
				Owned (c)	Capitalized lease (d)		
		<b>LOCOMOTIVES</b>					
1		Diesel Locomotive - Yard	22,979	2,589		(3,370)	1
2		Diesel Locomotive - Road	304,222	138,399	167	(16,120)	2
3		Other Locomotive - Yard		62			3
4		Other Locomotive - Road					4
5	*	<b>TOTAL</b>	327,201	141,050	167	(19,490)	5
		<b>FREIGHT TRAIN CARS</b>					
6		Box - Plain 40 Foot					6
7		Box - Plain 50 Foot and Longer	781	41		7	7
8		Box - Equipped	34,309	4,112		(5,041)	8
9		Gondola - Plain	27,168	7,204		(12,985)	9
10		Gondola - Equipped	24,582	3,852		(2,565)	10
11		Hopper - Covered	20,569	5,726		(1,873)	11
12		Hopper - Open Top - General Service	6,718	6,643	19	(6,225)	12
13		Hopper - Open Top - Special Service	3,464	3,434		(2,152)	13
14		Refrigerator - Mechanical	99				14
15		Refrigerator - Nonmechanical	78				15
16		Flat TOFC/COFC	1,681	(9)		(94)	16
17		Flat Multi - level	2,579	855		(130)	17
18		Flat - General Service	536	11		(52)	18
19		Flat - Other	8,141	735		(678)	19
20		All Other Freight Cars	5,061	1,430		(725)	20
21		Cabooses	52	68		(106)	21
22		Auto Racks	2,966	14,010		(6,833)	22
23		Miscellaneous Accessories (see note 4)		676		(1,118)	23
24	*	<b>TOTAL FREIGHT TRAIN CARS</b>	138,784	48,788	19	(40,570)	24
		<b>OTHER EQUIPMENT - REVENUE FREIGHT HIGHWAY EQUIPMENT</b>					
25		Refrigerated Trailers		84			25
26		Other Trailers	848	10,103		(73)	26
27		Refrigerated Containers					27
28		Other Containers	7,960	7,008			28
29		Bogies					29
30		Chassis	38,115	11,491			30
31		Other Highway Equipment (Freight)					31
32	*	<b>TOTAL HIGHWAY EQUIPMENT</b>	46,923	28,686		(73)	32
		<b>FLOATING EQUIPMENT - REVENUE SERVICE</b>					
33		Marine Line - Haul					33
34		Local Marine					34
35	*	<b>TOTAL FLOATING EQUIPMENT</b>					35
		<b>OTHER EQUIPMENT</b>					
36	*	Passenger & Other Revenue Equipment (Freight Portion)					36
37	*	Computer systems & word processing equip.	67,946	45,144		(9,800)	37
38	*	Machinery - Locomotives (see notes 1, 5, 6)	7,058	1,293		(175)	38
39	*	Machinery - Freight Cars (see notes 2, 5, 6)	4,533	1,027		(139)	39
40	*	Machinery - Other Equipment (see notes 3, 5, 6)	509	2,300		(312)	40
41	*	Work & Other Non - revenue Equipment	22,867	19,162		(3,674)	41
42		<b>TOTAL OTHER EQUIPMENT</b>	102,913	68,926		(14,100)	42
43		<b>TOTAL ALL EQUIPMENT (FREIGHT PORTION)</b>	615,821	287,450	186	(74,233)	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			139,742		62,055		1
2		751	4,666,955	5,024	1,854,888	760	2
3			2,184		265		3
4							4
5		751	4,808,881	5,024	1,917,208	760	5
6							6
7			1,201		794		7
8		7,455	398,738		247,608		8
9			729,230		276,531		9
10		18,603	406,294		188,840		10
11		685	403,390		181,839		11
12		903	467,967	688	136,936	1,050	12
13			205,832		87,673		13
14							14
15							15
16		(4,863)	2,738		2,234		16
17		1,997	25,621		11,884		17
18			1,806		1,172		18
19			70,128		35,911		19
20			63,000		38,202		20
21			4,867		3,259		21
22		715	407,047		205,223		22
23			11,959		8,701		23
24		25,495	3,199,818	688	1,426,807	1,050	24
25			1,083		1,422		25
26		19,273	182,663		113,829		26
27							27
28		1,014	104,286		15,018		28
29							29
30			171,869		24,009		30
31							31
32		20,287	459,901		154,278		32
33							33
34							34
35							35
36							36
37			512,892		292,391		37
38		280	39,502		16,016		38
39			31,375		12,722		39
40			70,266		28,490		40
41		472	401,713		162,106		41
42		752	1,055,748		511,725		42
43		47,285	9,524,348	5,712	4,010,018	1,810	43

Note 5 Data reported on lines 38, 39 and 40 in columns (g) and (h) are the investment recorded in property account 44, allocated to locomotives, freight cars and other equipment.

Note 6 Depreciation reported on lines 38, 39 and 40 in column (c) is calculated by multiplying the investment in each element by the effective composite rate for property account 44, and then adding or subtracting the adjustment reported in column (e). This calculation should equal the amount shown in column (c), Schedule 335.

415. SUPPORTING SCHEDULE - IMPROVEMENTS TO EQUIPMENT LEASED FROM OTHERS							
(Dollars in Thousands)							
**SUPPLEMENT**							
Line No.	Cross Check	Types of equipment (a)	Repairs (net expense) (b)	Depreciation		Amortization Adjustment net during year (e)	Line No.
				Owned** (c)	Capitalized lease (d)		
		<b>LOCOMOTIVES</b>					
1		Diesel Locomotive - Yard					1
2		Diesel Locomotive - Road		24			2
3		Other Locomotive - Yard					3
4		Other Locomotive - Road					4
5	*	TOTAL		24			5
		<b>FREIGHT TRAIN CARS</b>					
6		Box - Plain 40 Foot					6
7		Box - Plain 50 Foot and Longer					7
8		Box - Equipped					8
9		Gondola - Plain					9
10		Gondola - Equipped					10
11		Hopper - Covered					11
12		Hopper - Open Top - General Service		160			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		160			24
		<b>OTHER EQUIPMENT - REVENUE</b>					
		<b>FREIGHT HIGHWAY EQUIPMENT</b>					
25		Refrigerated Trailers					25
26		Other Trailers					26
27		Refrigerated Containers					27
28		Other Containers					28
29		Bogies					29
30		Chassis					30
31		Other Highway Equipment (Freight)					31
32	*	TOTAL HIGHWAY EQUIPMENT					32
		<b>FLOATING EQUIPMENT - REVENUE SERVICE</b>					
33		Marine Line - Haul					33
34		Local Marine					34
35	*	TOTAL FLOATING EQUIPMENT					35
		<b>OTHER EQUIPMENT</b>					
36	*	Passenger & Other Revenue Equipment (Freight Portion)					36
37	*	Computer systems & word processing equip.					37
38	*	Machinery - Locomotives (see notes 1, 5, 6)					38
39	*	Machinery - Freight Cars (see notes 2, 5, 6)					39
40	*	Machinery - Other Equipment (see notes 3, 5, 6)					40
41	*	Work & Other Non - revenue Equipment					41
42		TOTAL OTHER EQUIPMENT					42
43		TOTAL ALL EQUIPMENT (FREIGHT PORTION)		184			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			154		42		2
3							3
4							4
5			154		42		5
6							6
7							7
8							8
9							9
10							10
11							11
12		339	24,169		184		12
13							13
14							14
15							15
16							16
17							17
18							18
19							19
20							20
21							21
22							22
23							23
24		339	24,169		184		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		339	24,323		226		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	1,372,921	328,322	2.38%							1,372,921	328,322	1
2		8	1,592,141	514,012	4.63%							1,592,141	514,012	2
3		9	2,197,386	650,416	2.66%							2,197,386	650,416	3
4		11	832,243	169,800	2.72%							832,243	169,800	4
5	SUB-TOTAL		5,994,691	1,662,550								5,994,691	1,662,550	5
6	II	3	1,174,240	280,830	2.38%							1,174,240	280,830	6
7		8	2,109,948	681,060	4.63%							2,109,948	681,060	7
8		9	2,774,658	821,137	2.54%							2,774,658	821,137	8
9		11	1,048,336	213,877	2.72%							1,048,336	213,877	9
10	SUB-TOTAL		7,107,182	1,996,904								7,107,182	1,996,904	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	36,596	N/A	N/A		N/A	N/A		N/A	N/A	36,596	N/A	12
13		9	36,366	N/A	N/A		N/A	N/A		N/A	N/A	36,366	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		105,141				N/A	N/A		N/A	N/A	105,141	N/A	15
16	IV	3	475,343	113,705	2.38%							475,343	113,705	16
17		8	679,429	219,382	4.63%							679,429	219,382	17
18		9	925,761	274,062	2.30%							925,761	274,062	18
19		11	351,290	71,672	2.72%							351,290	71,672	19
20	SUB-TOTAL		2,431,823	678,821								2,431,823	678,821	20
21	V	3												21
22		8												22
23		9												23
24		11												24
25	SUB-TOTAL		0									0	0	25
26	GRAND TOTAL		15,638,837	4,338,275	N/A			N/A				15,638,837	4,338,275	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	44,514		240			678		86	45,518	1
2		Pick up and delivery, marine line haul	192,538		4,081			652		6,400	203,671	2
3		Loading and unloading and local marine	235,736		10,249			58,672		810	305,467	3
4		Protective services, total debit and credits							999		999	4
5	*	Freight lost or damaged—solely related									0	5
6		Fringe benefits	5,067		1,267						6,334	6
7		Casualty and insurance	1,149								1,149	7
8		Joint facility — Debit	1								1	8
9		Joint facility — Credit									0	9
10	*	Other									0	10
11		TOTAL	479,005	0	15,837	0	0	60,002	999	7,296	563,139	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	2,503,996	2,213	23	212
ACCT 09-Rail and other track material	5,934,171	560	28	504
ACCT 52-Locomotives	4,814,059	5,024	167	760
ACCT 53-Freight Cars	3,224,675	688	19	1,050

**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		<b>Other than U.S. Government Taxes</b>	258,950	1
		U. S. Government Taxes		
		Income Taxes		
2		Normal Tax and Surtax	710,316	2
3		Excess Profits		3
4	*	Total - Income Taxes L 2 + 3	710,316	4
5		Railroad Retirement	373,752	5
6		Hospital Insurance	33,013	6
7		Supplemental Annuities		7
8		Unemployment Insurance	3,412	8
9		All Other United States Taxes		9
10		<b>Total - U. S. Government Taxes</b>	1,120,493	10
11		<b>Total - Railway Taxes</b>	1,379,443	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.					1
2	Accelerated Amortization of Facilities, Sec. 168 I.R.C.					2
3	Accelerated amortization of rolling stock, Sec. 184 I.R.C.					3
4	Amortization of rights of way, Sec. 185 I. R. C.					4
5	Property	7,958,688	306,834		8,265,522	5
6	Other (Specify) -- Tax Benefit Transfer Leases	19,657	(1,484)		18,173	6
7	Reserves, including casualty & other claims	(137,125)	22,546		(114,579)	7
8	Compensation and Benefits	(479,647)	(30,958)	430,323	(80,282)	8
9	Miscellaneous	177,387	1,431	373	179,191	9
10	Unrealized Holding Gains	446,621	0	226,754	673,375	10
11						11
12						12
13						13
14						14
15						15
16						16
17						17
18						18
19	TOTALS	7,985,581	298,369	657,450	8,941,400	19

**NOTES AND REMARKS**

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					1
2	519	Net gain on the disposition of property	99,618		2
3					3
4	519	Growth in cash surrender value of corporate owned life insurance	70,844		4
5					5
6	519	Proceeds from corporate owned life insurance	33,523		6
7					7
8	616	Distribution of earnings	4,746		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**

**NOTES AND REMARKS**

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 9, 2014.

**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 \$8.1 million, with various banks, under which no borrowings were outstanding as of December 31, 2013.

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 \$100 million and repaid \$200 million in 2013. At December 31, 2013 and 2012, respectively, the amounts outstanding under the facility were \$200 million at an average variable interest rate of 1.23% and \$300 million at an average variable interest rate of 1.28%. 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 \$100 million and \$200 million outstanding at December 31, 2013 and 2012, 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 2013 to run until October 2014.



**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	100,000
2	764	Equipment Obligations and Other Long Term Debt due Within One Year	Sch. 200, L. 39	14,104
3	765/767	Funded Debt Unmatured	Sch. 200, L. 41	551,826
4	766	Equipment Obligations	Sch. 200, L. 42	714
5	766.5	Capitalized Lease Obligations	Sch. 200, L. 43	1,970
6	768	Debt in Default	Sch. 200, L. 44	
7	769	Accounts Payable; Affiliated Companies	Sch. 200, L. 45	4,098,677
8	770.1/770.2	Unamortized Debt Premium	Sch. 200, L. 46	87,114
9		Total Debt	Sum L. 1-8	4,854,405
10		Debt Directly Related to Road Property	Note 1.	2,183
11		Debt Directly Related to Equipment	Note 1.	14,700
12		Total Debt Directly Related to Road & Equipment	Sum L. 10 and 11	16,883
13		Percent Directly Related to Road	L. 10 div. by L. 12 Whole % + 2 decimals	12.93%
14		Percent Directly Related to Equipment	L. 11 div. by L. 12 Whole % + 2 decimals	87.07%
15		Debt Not Directly Related to Road or Equipment	L. 9 - L. 12	4,837,522
16		Road Property Debt (Note 2)	(L. 13 x L. 15) + L. 10	627,675
17		Equipment Debt (Note 2)	(L. 14 x L. 15) + L. 11	4,226,730

**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	227,800
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	227,800
22		Interest Directly Related to Road Property Debt	Note 4	1,029
23		Interest Directly Related to Equipment Debt	Note 4	1,536
24		Interest Not Directly Related to Road or Equipment Property Debt	L. 21 - (L. 22 + L. 23)	225,235 *
25		Interest Road Property Debt (Note 5)	L. 22 + (L. 24 x L. 13)	30,152
26		Interest Equipment Debt (Note 5)	L. 23 + (L. 24 x L. 14)	197,648
27		Embedded Rate of Debt Capital - Road Property	L. 25 div. by L. 16	4.80%
28		Embedded Rate of Debt Capital - Equipment	L. 26 div. by L. 17	4.68%

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

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

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

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

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

**NOTES AND REMARKS**

\*Net of capitalized interest \$18,071. 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

**NOTES AND REMARKS**

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%	15,170	2,574	168	1,979	2,477	5,719	28,087	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	2	5	7
8										8
9		Total Class 1	15,181	2,582	168	1,989	2,507	5,774	28,201	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%							-	21
22	4BJ	50%							-	22
23										23
24		Total Class 4	6				1	33	40	24
25										25
26										26
27	5	100%	4,414	1,137	589	364	127	531	7,162	27
28										28
29		Total Class 5	4,414	1,137	589	364	127	531	7,162	29
30										30
31										31
32										32
33										33
34										34
35										35
36										36
37										37
38										38
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49										49
50										50
51										51
52										52
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54										54
55										55
56										56
57		TOTAL	19,961	3,899	761	2,386	2,687	6,425	36,119	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	365		6
7		Illinois	842					414	1,256	63		7
8		Indiana	1,181		2			266	1,449	62		8
9		Iowa	5				1	37	43	41		9
10		Kansas						2	2			10
11		Kentucky	154		212			63	429			11
12		Louisiana	72					4	76			12
13		Maryland	95					174	269			13
14		Michigan	118					371	489	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	178		18
19		North Carolina	921					364	1,285	418		19
20		Ohio	1,793		10			398	2,201	31		20
21		Pennsylvania	1,636				5	637	2,278	191		21
22		South Carolina	658					104	762	37		22
23		Tennessee	662		136			46	844	144		23
24		Virginia	1,969					107	2,076	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)	15,181		360		6	4,414	19,961	1,909		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)							
Locomotive Units														
1	*	Diesel-freight units	2,595	50		26		36	2,635		2,635	(HP) 11,055,800		1
2		Diesel-passenger units												2
3	*	Diesel-multiple purpose units	1,205			10	90	34	1,192	79	1,271	3,311,500	50	3
4		Diesel-switching units	106					5	101		101	153,400	3	4
5	**	TOTAL (lines 1 to 4) units	3,906	50		36	90	75	3,928	79	4,007	14,520,700	53	5
6	**	Electric-locomotives												6
7	**	Other self-powered units	1						1		1	1,350		7
8	**	TOTAL (lines 5, 6 and 7)	3,907	50		36	90	75	3,929	79	4,008	14,522,050	53	8
9	**	Auxiliary units	122			9			131		131	N/A		9
10	**	TOTAL LOCOMOTIVE UNITS (lines 8 and 9)	4,029	50		45	90	75	4,060	79	4,139	14,522,050	53	10

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

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

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

Line No.	Cross Check	Type or design of units (a)	Before 1/1/1990 (b)	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	1,619	407		
12	*	Electric												12
13	*	Other self-powered units	1										1	13
14	*	TOTAL (lines 11 to 13)	1,620	407	713	664	362	42	90	60	50		4,008	14
15	*	Auxiliary units	130	1									131	15
16	*	TOTAL LOCOMOTIVE UNITS (Lines 14 and 15)	1,750	408	713	664	362	42	90	60	50		4,139	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				5	2	29		29	N/A		30
31		Board outfit cars (MWX)	274				5		279		279	N/A		31
32		Derrick and snow removal cars (MWU, MWV, MWW, MWK)	276					5	271		271	N/A		32
33		Dump and ballast cars (MWB, MWD)	777					86	451	240	691	N/A		33
34		Other maintenance and service equipment cars	3,443				97	62	3,475	3	3,478	N/A		34
35		TOTAL (lines 30 to 34)	4,796				107	155	4,505	243	4,748	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 __)	503						37
38		Equipped box cars (All Code A, Except A_5_)	13,323						38
39		Plain gondola cars (All Codes G & J __1, J __2, J __3, J __4)	19,630					2,258	39
40		Equipped gondola cars (All Code E)	18,029						40
41		Covered hopper cars (C __1, C __2, C __3, C __4)	10,716						41
42		Open top hopper cars - general service (All Code H)	11,495						2
43		Open top hopper cars - special service (J __O, and All Code K)	4,260						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 __)	1,170						46
47		Flat cars - multi-level (All Code V)	479						47
48		Flat cars - general service (F10 __, F20 __, F30 __)	123						48
49		Flat cars - other (F_1_, F_2_, F_3_, F_4_, F_5_, F_6_, F_8_, F40_)	1,867						49
50		Tank cars - under 22,000 gallons (T __0, T __1, T __2, T __3, T __4, T __5)							50
51		Tank cars - 22,000 gallons and over (T __6, T __7, T __8, T __9)		19					51
52		All other freight cars (A_5_, F_7_, All Code L and Q8 __)	4,442						52
53		TOTAL (lines 36 to 52)	86,037	19				2,260	53
54		Caboose (All Code M-930)	N/A	162					54
55		TOTAL (lines 53, 54)	86,037	181				2,260	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		8	36	459	495		51,290	37	
38		1,100	11,304	919	12,223		1,011,395	38	
39		3,519	17,017	1,352	18,369		2,111,078	39	
40		1,932	13,916	2,181	16,097		1,637,010	40	
41		307	10,251	158	10,409		1,149,345	41	
42		1,836	9,138	523	9,661		1,083,436	42	
43		326	3,934		3,934		431,220	43	
44								44	
45								45	
46		32	119	1,019	1,138		120,621	46	
47		2	367	110	477		22,764	47	
48		48	75		75		5,960	48	
49		66	1,801		1,801		174,565	49	
50								50	
51		1	4	14		18	1,785	51	
52			4,442		4,442		219,656	52	
53		9,177	72,404	6,735	79,121	18	8,020,125	53	
54		6	156		N/A	156	N/A	54	
55		9,183	72,560	6,735	79,121	174	8,020,125	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.)	N/A						56
57		Non-self-propelled vessels (car floats, lighters, etc.)	N/A						57
58		TOTAL (Lines 56 and 57)							58
59		HIGHWAY REVENUE EQUIPMENT Chassis (Z 1_, Z 67_, Z 68_, Z 69_)		20,369	1,363			920	59
60		Dry van (U 2_, Z_, Z 6_, 1-6)		22,700	1,340				60
61		Flat bed (U 3_, Z 3_)		50	15				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)		43,152	2,718			920	70

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

## NOTES AND REMARKS

**710. INVENTORY OF EQUIPMENT - Concluded**

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

Line No.	Cross Check	Changes during year (concluded)	Units at close of year						Line No.	
		Units retired from service of respondent whether owned or leased including reclassification (h)	Owned and used (i)	Leased from others (j)	Total in service of respondent (col (i) & (j))		Aggregate capacity of units reported in col (k) & (l) (see ins. 4) (m)	Leased to Others (n)		
					Per diem (k)	All Others (l)				
56						N/A		N/A		56
57						N/A		N/A		57
58										58
59		1,059	13,815	7,778			21,593	N/A		59
60		29	15,805	8,206			24,011	658,895		60
61			65				65	731		61
62										62
63			33				33	750		63
64										64
65										65
66										66
67										67
68										68
69										69
70		1,088	29,718	15,984			45,702	660,376		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	50	10,800	120,027	P	1
2	53' Domestic Chassis (Z)	1,363	5,024	17,327	P	2
3	53' Steel Domestic Container (U)	1,340	6,968	14,629	P	3
4	Chassis Shipping Units (U)	15	86	463	P	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	<b>TOTAL</b>	2,768	22,878	152,446	N/A	25
<b>REBUILT UNITS</b>						
26	Diesel-Multipurpose Units 4-Axle 3,000 HP	3	408	3,564	S	26
27	Diesel-Freight Units 6-Axle 3,800 HP	26	5,356	35,119	S	27
28	Diesel-Multipurpose Units 6-Axle 3,000 HP	7	1,365	6,664	S	28
29	Auxiliary Units 4-Axle	9	1,251	6,772	S	29
30						30
31						31
32						32
33						33
34						34
35						35
36						36
37						37
38	<b>TOTAL</b>	45	8,380	52,119	N/A	38
39	<b>GRAND TOTAL</b>	2,813	31,258	204,565	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	8,933	40.57	52.72	33	1
2	B	6,382	11.99	45.26	57	2
3	C	2,578	2.68	31.26	77	3
4	D	2,610	0.27	20.35	165	4
5	E	8,454	N/A	N/A	N/A	5
6	TOTAL	28,957	21.75	43.59	332	6
7	F	3,365	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	Line No.
		New ties			Second-hand ties							
		Wooden		Concrete (d)	Other (e)	Wooden		Other (h)				
		Treated (b)	Untreated (c)			Treated (f)	Untreated (g)					
Percent of spot maintenance (k)												
1	A	1,628,418				26,589			1,655,007	3,039,921	0.7	1
2	B	445,479				70,371			515,850	1,915,953	5.7	2
3	C	162,873				37,958			200,831	837,531	7.9	3
4	D	124,826				10,264			135,090	642,238	3.1	4
5	E	44,556			1,116	90,835			136,507	443,826	28.3	5
6	TOTAL	2,406,152			1,116	236,017			2,643,285	6,879,469	3.9	6
7	F											7
8	Potential abandonments											8
9	Average cost per crosstie	\$44.72	and switchtie (MBM)		\$1,162.63							

**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	62,876	\$45.27	\$2,847	117,448	\$1,326.95	\$156	New Wood Ties	1	
2									2	
3	S	50,042	\$89.95	\$4,501	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	112,918		\$7,348	117,448		\$156		20	
21	Number of miles of new running, passing tracks, cross-overs, etc., in which ties were laid —								15.60	21
22	Number of miles of new yard, station, team, industry, and other switching tracks in which ties were laid —								44.46	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	640.08	6.65	1.56	0.03	641.64	6.68	2.42	1
2	B	177.76	1.85	82.50	1.40	260.26	3.25	2.90	2
3	C	2.15	0.02	1.93	0.03	4.08	0.05	3.13	3
4	D	3.14	0.03	0.53	0.01	3.67	0.04	2.64	4
5	E	0.00	0.00	57.15	0.97	57.15	0.97	3.93	5
6	TOTAL	823.13	8.55	143.67	2.44	966.80	10.99	2.64	6
7	F								7
8	Potential Abandonments								8
9	Average cost of new and relay rail laid in replacement per gross ton:			New	\$952	Relay	\$122		9

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

(Dollars in Thousands)

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

RAIL APPLIED IN RUNNING TRACKS, PASSING TRACKS, CROSS-OVERS, ETC.						RAIL APPLIED IN YARD, STATION, TEAM, INDUSTRY AND OTHER SWITCHING TRACKS				Line No.	
Line No.	Class of rail (a)	Weight of rail		Total cost of rail applied in running tracks, passing tracks cross-overs, etc., during year (d)	Average cost per ton (2,000 lb) (e)	Weight of rail		Total cost of rail applied in yard, station, team, industry, and other switching tracks during year (h)	Average cost per ton (2,000 lb) (i)		
		Pounds per yard of rail (b)	Number of tons (2,000 lb) (c)			Pounds per yard of rail (f)	Number of tons (2,000 lb) (g)				
1										1	
2	1	132	161	155	965	132	716	658	918	2	
3	4	132	1,140	91	80	132	6,810	814	120	3	
4										4	
5	1	136	1,739	1,658	953	136	602	567	943	5	
6	4	136	653	89	137	136	964	111	115	6	
7										7	
8	4					140	1,360	109	80	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	3,693	\$1,993		N/A	10,452	\$2,259		33	
34	Number of miles of new running tracks, passing tracks, cross-overs, etc., in which rails were laid									15.60	34
35	Number of miles of new yard, station, team, industry, and other switching tracks in which rails were laid									44.46	35
36	Track-miles of welded rail installed on system this year: 60.06 Total to date: 22,244										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	41.73			1
2	100	755.38			2
3	105	74.24			3
4	110	46.63			4
5	112	575.37			5
6	115	805.33			6
7	119	9.20			7
8	127	426.08			8
9	130	511.73			9
10	131	884.83			10
11	132	8,908.91			11
12	133	124.40			12
13	136	3,872.03			13
14	140	935.90			14
15	141	383.03			15
16	152	75.90			16
17	155	50.31			17
18					18
19					19
20					20
21					21
22					22
23					23
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36					36
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39					39
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41					41
42					42
43					43
44					44
45					45
46					46

**726. SUMMARY OF TRACK REPLACEMENTS**

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

Line No.	Track category (a)	Ties				Rail		Ballast	Track surfacing		Line No.
		Number of ties replaced		Percent replaced		Miles of rail replaced (rail-miles) (f)	Percent replaced (g)	Cubic yards of ballast placed (h)	Miles surfaced (i)	Percent surfaced (j)	
		Crossties (b)	Switch and bridge ties (board feet) (c)	Crosstie (d)	Switch and bridge ties (board feet) (e)						
1	A	1,655,007	3,039,921	5.7	4.8	648.32	3.6	1,291,792	4,001.1	44.8	1
2	B	515,850	1,915,953	2.5	2.4	263.51	2.1	377,759	1,425.0	22.3	2
3	C	200,831	837,531	2.4	4.8	4.13	0.1	99,518	107.3	4.2	3
4	D	135,090	642,238	1.6	1.7	3.71	0.1	48,213	350.2	13.4	4
5	E	136,507	443,826	0.5	0.4	58.12	0.3	49,122	158.2	1.9	5
6	TOTAL	2,643,285	6,879,469	2.8	2.2	977.79	1.7	1,866,404	6,041.8	20.9	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	446,869,376	1
2	Passenger		2
3	Yard switching	29,435,062	3
4	TOTAL	476,304,438	4
5	COST OF FUEL \$(000)	\$ 1,473,183	5
6	Work Train	3,035,516	6



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

Unit Train, Way Train, and Through Train data under items 2, 3, 4, 6, and 12 shall be obtained from conductor's wheel reports (freight) or similar 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)	19,961		1
		2. TRAIN MILES - RUNNING (B)	XXXXXXXX	XXXXXX	
2		2-01 UNIT TRAINS	11,232,080	XXXXXX	2
3		2-02 WAY TRAINS	11,317,059	XXXXXX	3
4		2-03 THROUGH TRAINS	52,246,530		4
5		2-04 TOTAL TRAIN MILES (lines 2-4)	74,795,669		5
6		2-05 MOTORCARS (C)	0		6
7		2-06 TOTAL, ALL TRAINS (lines 5, 6)	74,795,669		7
		3. LOCOMOTIVE UNIT MILES (D)	XXXXXXXX	XXXXXX	
		ROAD SERVICE (E)	XXXXXXXX	XXXXXX	
8		3-01 UNIT TRAINS	27,980,013	XXXXXX	8
9		3-02 WAY TRAINS	19,960,317	XXXXXX	9
10		3-03 THROUGH TRAINS	125,370,231		10
11		3-04 TOTAL (lines 8-10)	173,310,561		11
12		3-11 TRAIN SWITCHING (F)	6,756,113	XXXXXX	12
13		3-21 YARD SWITCHING (G)	13,122,102		13
14		3-31 TOTAL ALL SERVICES (lines 11, 12, 13)	193,188,776		14
		4. FREIGHT CAR-MILES (thousands) (H)	XXXXXXXX	XXXXXX	
		4-01 RR OWNED AND LEASED - LOADED	XXXXXXXX	XXXXXX	
15		4-010 BOX-PLAIN 40-FOOT	0	XXXXXX	15
16		4-011 BOX-PLAIN 50-FOOT AND LONGER	7,599	XXXXXX	16
17		4-012 BOX-EQUIPPED	121,952	XXXXXX	17
18		4-013 GONDOLA-PLAIN	223,551	XXXXXX	18
19		4-014 GONDOLA-EQUIPPED	95,219	XXXXXX	19
20		4-015 HOPPER-COVERED	115,552	XXXXXX	20
21		4-016 HOPPER-O/T-GENERAL SERVICE	57,163	XXXXXX	21
22		4-017 HOPPER-O/T-SPECIAL SERVICE	24,914	XXXXXX	22
23		4-018 REFRIGERATOR-MECHANICAL	4,479	XXXXXX	23
24		4-019 REFRIGERATOR-NON-MECHANICAL	5,841	XXXXXX	24
25		4-020 FLAT-TOFC/COFC	137,236	XXXXXX	25
26		4-021 FLAT-MULTI-LEVEL	26,039	XXXXXX	26
27		4-022 FLAT-GENERAL SERVICE	184	XXXXXX	27
28		4-023 FLAT-ALL OTHER	26,560	XXXXXX	28
29		4-024 ALL OTHER CAR TYPES	208,449	XXXXXX	29
30		4-025 TOTAL (lines 15-29)	1,054,738	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	8,367	XXXXXX	32
33		4-112 BOX-EQUIPPED	130,776	XXXXXX	33
34		4-113 GONDOLA-PLAIN	210,341	XXXXXX	34
35		4-114 GONDOLA-EQUIPPED	91,015	XXXXXX	35
36		4-115 HOPPER-COVERED	123,385	XXXXXX	36
37		4-116 HOPPER-O/T-GENERAL SERVICE	62,617	XXXXXX	37
38		4-117 HOPPER-O/T-SPECIAL SERVICE	27,455	XXXXXX	38
39		4-118 REFRIGERATOR-MECHANICAL	4,422	XXXXXX	39
40		4-119 REFRIGERATOR-NON-MECHANICAL	5,078	XXXXXX	40
41		4-120 FLAT-TOFC/COFC	17,102	XXXXXX	41
42		4-121 FLAT-MULTI-LEVEL	17,817	XXXXXX	42
43		4-122 FLAT-GENERAL SERVICE	277	XXXXXX	43
44		4-123 FLAT-ALL OTHER	28,967	XXXXXX	44
45		4-124 ALL OTHER CAR TYPES	523	XXXXXX	45
46		4-125 TOTAL (lines 31-45)	728,142	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	6,135	XXXXXX	48
49		4-132 BOX-EQUIPPED	24,337	XXXXXX	49
50		4-133 GONDOLA-PLAIN	51,164	XXXXXX	50
51		4-134 GONDOLA-EQUIPPED	12,608	XXXXXX	51
52		4-135 HOPPER-COVERED	283,570	XXXXXX	52
53		4-136 HOPPER-O/T-GENERAL SERVICE	19,479	XXXXXX	53
54		4-137 HOPPER-O/T-SPECIAL SERVICE	122,681	XXXXXX	54
55		4-138 REFRIGERATOR-MECHANICAL	1,951	XXXXXX	55
56		4-139 REFRIGERATOR-NON-MECHANICAL	664	XXXXXX	56
57		4-140 FLAT-TOFC/COFC	442,557	XXXXXX	57
58		4-141 FLAT-MULTI-LEVEL	192,074	XXXXXX	58
59		4-142 FLAT-GENERAL SERVICE	7	XXXXXX	59
60		4-143 FLAT-ALL OTHER	26,197	XXXXXX	60
61		4-144 TANK UNDER 22,000 GALLONS	103,853	XXXXXX	61
62		4-145 TANK - 22,000 GALLONS AND OVER	238,072	XXXXXX	62
63		4-146 ALL OTHER CAR TYPES	1,096	XXXXXX	63
64		4-147 TOTAL (lines 47-63)	1,526,445	XXXXXX	64

**755. RAILROAD OPERATING STATISTICS**

Line No.	Cross Check	Item description (a)	Freight train (b)	Pass. train (c)	Line No.
		4-15 PRIVATE LINE CARS-EMPTY (H)	XXXXXXXX	XXXXXX	
65		4-150 BOX-PLAIN 40-FOOT	0	XXXXXX	65
66		4-151 BOX-PLAIN 50-FOOT AND LONGER	6,656	XXXXXX	66
67		4-152 BOX-EQUIPPED	17,349	XXXXXX	67
68		4-153 GONDOLA-PLAIN	53,761	XXXXXX	68
69		4-154 GONDOLA-EQUIPPED	14,400	XXXXXX	69
70		4-155 HOPPER-COVERED	290,317	XXXXXX	70
71		4-156 HOPPER-O/T-GENERAL SERVICE	19,919	XXXXXX	71
72		4-157 HOPPER-O/T-SPECIAL SERVICE	126,569	XXXXXX	72
73		4-158 REFRIGERATOR-MECHANICAL	1,946	XXXXXX	73
74		4-159 REFRIGERATOR-NON-MECHANICAL	631	XXXXXX	74
75		4-160 FLAT-TOFC/COFC	39,553	XXXXXX	75
76		4-161 FLAT-MULTI-LEVEL	133,329	XXXXXX	76
77		4-162 FLAT-GENERAL SERVICE	41	XXXXXX	77
78		4-163 FLAT-ALL OTHER	29,277	XXXXXX	78
79		4-164 TANK UNDER 22,000 GALLONS	108,691	XXXXXX	79
80		4-165 TANK - 22,000 GALLONS AND OVER	246,370	XXXXXX	80
81		4-166 ALL OTHER CAR TYPES	1,256	XXXXXX	81
82		4-167 TOTAL (lines 65-81)	1,090,065	XXXXXX	82
83		4-17 WORK EQUIPMENT CAR-MILES	45,266	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	1,098,509	XXXXXX	85
86		4-192 WAY TRAINS	279,447	XXXXXX	86
87		4-193 THROUGH TRAINS	3,066,700	XXXXXX	87
88		4-194 TOTAL (lines 85-87)	4,444,656	XXXXXX	88
89		4-20 CABOOSE MILES	409	XXXXXX	89

\* Total number of loaded miles 202,984 and empty miles \_\_\_\_\_ by roadrailer reported above on lines 29 and 45 respectively, rather than line 84.

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

## 755. RAILROAD OPERATING STATISTICS

Line No.	Cross Check	Item description (a)	Freight train (b)	Pass. train (c)	Line No.
		6. GROSS TON MILES (Thousands) (K)	XXXXXXXX	XXXXXX	
98		6-01 ROAD LOCOMOTIVES	32,831,044		98
		6-02 FREIGHT TRAINS, CRS., CNTS. & CABOOSE	XXXXXXXX	XXXXXX	
99		6-020 UNIT TRAINS	91,751,147	XXXXXX	99
100		6-021 WAY TRAINS	21,583,669	XXXXXX	100
101		6-022 THROUGH TRAINS	251,549,312	XXXXXX	101
102		6-03 PASSENGER-TRAINS, CRS. & CNTS.	0		102
103		6-04 NON-REVENUE	3,169,030	XXXXXX	103
104		6-05 TOTAL (lines 98-103)	400,884,202		104
		7. TONS OF FREIGHT (Thousands)	XXXXXXXX	XXXXXX	
105		7-01 REVENUE	389,613	XXXXXX	105
106		7-02 NON-REVENUE	3,892	XXXXXX	106
107		7-03 TOTAL (lines 105, 106)	393,505	XXXXXX	107
		8. TON-MILES OF FREIGHT (Thousands) (L)	XXXXXXXX	XXXXXX	
108		8-01 REVENUE-ROAD SERVICE	193,551,759	XXXXXX	108
109		8-02 REVENUE-LAKE TRANSFER SERVICE	0	XXXXXX	109
110		8-03 TOTAL (lines 108, 109)	193,551,759	XXXXXX	110
111		8-04 NON-REVENUE-ROAD SERVICE	1,396,494	XXXXXX	111
112		8-05 NON-REVENUE-LAKE TRANSFER SERV.	0	XXXXXX	112
113		8-06 TOTAL (lines 111, 112)	1,396,494	XXXXXX	113
114		8-07 TOTAL-REV AND NON-REV (lines 110, 113)	194,948,253	XXXXXX	114
		9. TRAIN HOURS (M)	XXXXXXXX	XXXXXX	
115		9-01 ROAD SERVICE	3,750,324	XXXXXX	115
116		9-02 TRAIN SWITCHING	646,253	XXXXXX	116
117		10. TOTAL YARD SWITCHING HOURS (N)	2,187,017	XXXXXX	117
		11. TRAIN-MILES WORK TRAINS (O)	XXXXXXXX	XXXXXX	
118		11-01 LOCOMOTIVES	979,294	XXXXXX	118
119		11-02 MOTORCARS	0	XXXXXX	119
		12. NUMBER OF LOADED FREIGHT CARS (P)	XXXXXXXX	XXXXXX	
120		12-01 UNIT TRAINS	2,101,916	XXXXXX	120
121		12-02 WAY TRAINS	4,774,353	XXXXXX	121
122		12-03 THROUGH TRAINS	6,057,336	XXXXXX	122
123		13. TOFC/COFC-NO. OF REV. TRLS. & CONT. LOADED & UNLOADED (Q)	6,052,181	XXXXXX	123
124		14. MULTI-LEVEL CARS-NO. OF MTR. VEH. LOADED AND UNLOADED (Q)	2,566,800	XXXXXX	124
125		15. TOFC/COFC-NO. OF REV TRLS. PICKED UP AND DELIVERED (R)	379,282	XXXXXX	125
		16. REVENUE TONS-MARINE TERMINAL (S)	XXXXXXXX	XXXXXX	
126		16-01 MARINE TERMINALS - COAL	29,573,046	XXXXXX	126
127		16-02 MARINE TERMINALS - ORE	0	XXXXXX	127
128		16-03 MARINE TERMINALS - OTHER	0	XXXXXX	128
129		16-04 TOTAL (lines 126-128)	29,573,046	XXXXXX	129
		17. NUMBER OF FOREIGN PER DIEM CARS ON LINE (T)	XXXXXXXX	XXXXXX	
130		17-01 SERVICEABLE	25,581	XXXXXX	130
131		17-02 UNSERVICEABLE	475	XXXXXX	131
132		17-03 SURPLUS	0	XXXXXX	132
133		17-04 TOTAL (lines 130-132)	26,056	XXXXXX	133
134		TOFC/COFC - Average No. of Units Loaded Per Car	4.54	XXXXXX	134

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**PTC Supplement**

**Schedules 330, 332, 335, 352B, 410, 700, 710, 710S, 720 and Footnote: PTC Grants**

**NORFOLK SOUTHERN COMBINED RAILROAD SUBSIDIARIES**  
**("NS RAIL")**

**TO THE**  
**Surface Transportation Board**  
**FOR THE**  
**YEAR ENDED DECEMBER 31, 2013**



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**PTC 330. ROAD PROPERTY AND EQUIPMENT AND IMPROVEMENTS TO LEASED PROPERTY AND EQUIPMENT**

(Dollars in Thousands)

Line No.	Cross No.	Account (a)	Balance at Beginning of year (b)	Expenditures during the year for original road & equipment & road extensions (c)	Expenditures during the year for purchase of existing lines, reorganizations, etc. (d)	Line No.
1		(2) Land for transportation purposes				1
2		(3) Grading				2
3		(4) Other right-of-way expenditures				3
4		(5) Tunnels and subways				4
5		(6) Bridges, trestles and culverts				5
6		(7) Elevated structures				6
7		(8) Ties				7
8		(9) Rail and other track material				8
9		(11) Ballast				9
10		(13) Fences, snowsheds and signs				10
11		(16) Station and office buildings				11
12		(17) Roadway buildings				12
13		(18) Water stations				13
14		(19) Fuel stations				14
15		(20) Shops and enginehouses				15
16		(22) Storage warehouses				16
17		(23) Wharves and docks				17
18		(24) Coal and ore wharves				18
19		(25) TOFC/COFC terminals				19
20		(26) Communications systems	21,386			20
21		(27) Signals and interlockers	131,081			21
22		(29) Power plants				22
23		(31) Power transmission systems				23
24		(35) Miscellaneous structures				24
25		(37) Roadway machines				25
26		(39) Public improvements - construction				26
27		(44) Shop machinery				27
28		(45) Power plant machinery				28
29		Other lease/rentals				29
30		<b>TOTAL EXPENDITURES FOR ROAD</b>	<b>152,467</b>			<b>30</b>
31		(52) Locomotives	65,301			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	116			37
38		(59) Computer systems & word processing equipment	10,261			38
39		<b>TOTAL EXPENDITURES FOR EQUIPMENT</b>	<b>75,678</b>			<b>39</b>
40		(76) Interest during construction				40
41		(80) Other elements of investment				41
42		(90) Construction work in progress	145,180			42
43		<b>GRAND TOTAL</b>	<b>373,325</b>			<b>43</b>

**NOTES AND REMARKS**

We have also made capital contributions to entities that were formed for the purpose of implementing Positive Train Control (PTC), as follows:

	Balance at beginning of year	Current year	Balance at close of year
Meteorcomm LLC	\$ 46,050	\$ 10,600	\$ 56,650
PTC-220 LLC	\$ 16,013	\$ 942	\$ 16,955

In addition, Conrail, Inc. has invested a total of \$3,845 for the purpose of implementing PTC through December 31, 2013, of which \$1,828 was made in 2013.

These investments are not included in the above Schedule 330.

**PTC 330. ROAD PROPERTY AND EQUIPMENT AND IMPROVEMENTS TO LEASED PROPERTY AND EQUIPMENT**

(Dollars in Thousands)

Line No.	Cross No.	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						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		23,313		23,313	44,699	20
21		66,516		66,516	197,597	21
22						22
23						23
24						24
25		52		52	52	25
26						26
27						27
28						28
29						29
30		89,881	0	89,881	242,348	30
31		22,534	(5,871)	28,405	93,706	31
32						32
33						33
34						34
35						35
36						36
37		267		267	383	37
38		10,137	5,871	4,266	14,527	38
39		32,938	-	32,938	108,616	39
40						40
41						41
42		34,453	(3,734)	38,187	183,367	42
43		157,272	(3,734)	161,006	534,331	43

**PTC 332. DEPREC. BASE AND RATES - ROAD AND EQUIPMENT OWNED AND LEASED FROM OTHERS**  
(Dollars in Thousands)

1. Show in columns (b) and (e), for each primary account, the depreciation base used to compute depreciation charges for the month of January, and in columns (c) and (f), the depreciation charges for the month of December. In columns (d) and (g) show the composite rates used in computing depreciation charges for 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, dividing that total by the total depreciation base for the same month. The depreciation base should not include cost of equipment used, but not owned, when the rents are included in 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 cost of equipment owned and leased to others when the rents therefrom are included in the rent for equipment, accounts nos. 32-21-00, 32-22-00, 32-23-00, 32-25-00, 36-21-00, 36-22-00, 36-23-00, and 36-25-00., inclusive. Composite rates used should be those prescribed or authorized by the Board, except that where the use of component rates has been authorized, the composite rates to be shown for the respective primary accounts should be recomputed from the December charges developed by the use of the authorized rates. If any changes in rates were effective during the year, give particulars in a footnote.
2. All leased property 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 accounts 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 discontinuance of accruals should be shown in a footnote, indicating the effected account(s).
5. Disclosures in the respective sections of this schedule may be omitted if either total road leased from others or total equipment leased from others represents less than 5% of total road owned or total equipment owned, respectively.

Line No.	Account  (a)	OWNED AND USED			LEASED FROM OTHERS			Line No.
		Depreciation Base		Annual composite rate % (d)	Depreciation Base		Annual composite rate % (g)	
		1/1 At beginning of year (b)	12/1 At close of year (c)		At beginning of year (e)	At close of year (f)		
	ROAD							
1	(3) Grading			0.00%				1
2	(4) Other right-of-way expenditures			0.00%				2
3	(5) Tunnels and subways			0.00%				3
4	(6) Bridges, trestles and culverts			0.00%				4
5	(7) Elevated structures			0.00%				5
6	(8) Ties			0.00%				6
7	(9) Rail and other track material			0.00%				7
8	(11) Ballast			0.00%				8
9	(13) Fences, snowsheds and signs			0.00%				9
10	(16) Station and office buildings			0.00%				10
11	(17) Roadway buildings			0.00%				11
12	(18) Water stations			0.00%				12
13	(19) Fuel stations			0.00%				13
14	(20) Shops and enginehouses			0.00%	NOT APPLICABLE - 5% RULE			14
15	(22) Storage warehouses			0.00%				15
16	(23) Wharves and docks			0.00%				16
17	(24) Coal and ore wharves			0.00%				17
18	(25) TOFC/COFC terminals			0.00%				18
19	(26) Communications systems	21,386	40,950	3.84%				19
20	(27) Signals and interlockers	131,081	173,931	1.78%				20
21	(29) Power plants			0.00%				21
22	(31) Power transmission systems			0.00%				22
23	(35) Miscellaneous structures			0.00%				23
24	(37) Roadway machines		52	5.28%				24
25	(39) Public improvements - construction			0.00%				25
26	(44) Shop machinery			0.00%				26
27	(45) Power plant machinery			0.00%				27
28	All other road accounts			0.00%				28
29	Amortization (other than def. projects)			0.00%				29
30	TOTAL ROAD	152,467	214,933	2.17%				30
31	(52) Locomotives	65,301	87,309	3.65%				31
32	(53) Freight train cars			0.00%				32
33	(54) Passenger train cars			0.00%				33
34	(55) Highway revenue equipment			0.00%				34
35	(56) Floating equipment			0.00%				35
36	(57) Work equipment			0.00%				36
37	(58) Miscellaneous equipment	116	383	9.20%				37
38	(59) Computer systems & WP equipment	10,261	4,390	14.51%				38
39	TOTAL EQUIPMENT	75,678	92,082	4.19%				39
40	GRAND TOTAL	228,145	307,015	2.78%			NA	40

**NOTES AND REMARKS**

Both owned and leasedhold improvement assets are included in columns (b) and (c) above.  
See Notes and Remarks on page 99 for additional information.

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

(Dollars in Thousands)

1. Disclose the required information regarding credits and debits to Account No. 735, "Accumulated Depreciation: Road and Equipment Property" during the year relating to owned and used road and equipment. Include entries for depreciation of equipment owned but not used when the resulting rents are included in the "Lease Rentals - Credit - Equipment" accounts and "Other Rents - Credit - Equipment" accounts. Exclude any entries for depreciation of equipment that is used but not owned when the resulting rents are included in "Lease Rental - Debit - Equipment" accounts and "Other Rents - Debit - Equipment" accounts.  
(See Schedule 351 for 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 credits to reserves as shown in column (c) and charges to operating expenses, a full explanation should be given.
5. Enter amounts representing amortization under an authorized amortization program other than for defense projects on lines 29 and 39.

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO RESERVE During the year		DEBITS TO RESERVE During the year		Balance at close of year (g)	Line No.
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
<b>ROAD</b>									
1		(3) Grading							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, snowsheds 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	449	1,129				1,578	19
20		(27) Signals and interlockers	3,313	2,722				6,035	20
21		(29) Power plants							21
22		(31) Power transmission systems							22
23		(35) Miscellaneous structures							23
24		(37) Roadway machines	0	2				2	24
25		(39) Public improvements - const.							25
26		(44) Shop machinery							26
27		(45) Power plant machinery							27
28		All other road accounts							28
29		Amortization (adjustments)							29
30		<b>TOTAL ROAD</b>	<b>3,762</b>	<b>3,853</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,615</b>	<b>30</b>
<b>EQUIPMENT</b>									
31		(52) Locomotives	2,410	2,666	2,034			7,110	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	28	21				49	37
38		(59) Computer systems & WP equip.	1,952	1,454			2,034	1,372	38
39		Amortization (adjustments)							39
40		<b>TOTAL EQUIPMENT</b>	<b>4,390</b>	<b>4,141</b>	<b>2,034</b>	<b>0</b>	<b>2,034</b>	<b>8,531</b>	<b>40</b>
41		<b>GRAND TOTAL</b>	<b>8,152</b>	<b>7,994</b>	<b>2,034</b>	<b>0</b>	<b>2,034</b>	<b>16,146</b>	<b>41</b>

**NOTES AND REMARKS**

Both owned and leasedhold improvement assets are included in columns (b) - (g) above.  
See Notes and Remarks on page 99 for additional information.

**PTC 352B. INVESTMENT IN RAILROAD PROPERTY USED IN TRANSPORTATION SERVICE (By Property Account)**

(Dollars in Thousands)

1. In columns (b) through (e) give, by primary accounts, the amount of investment at the close of the year in property of respondent and each group or class of companies and properties.
2. The amounts for respondent and for each group or class of companies and properties on line 44 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 of rentals for leased property based on 6% per year where property is not classified by accounts by noncarrier owners, or where the 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 on noncarriers or property of other carriers.
4. Report on line 30 amounts not included in the accounts shown, or on 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 purposes					1
2		(3) Grading					2
3		(4) Other right-of-way expenditures					3
4		(5) Tunnels and subways					4
5		(6) Bridges, trestles and culverts					5
6		(7) Elevated structures					6
7		(8) Ties					7
8		(9) Rail and other track material					8
9		(11) Ballast					9
10		(13) Fences, snowsheds and signs					10
11		(16) Station and office buildings					11
12		(17) Roadway buildings					12
13		(18) Water stations					13
14		(19) Fuel stations					14
15		(20) Shops and enginehouses					15
16		(22) Storage warehouses					16
17		(23) Wharves and docks					17
18		(24) Coal and ore wharves					18
19		(25) TOFC/COFC terminals					19
20		(26) Communications systems	44,699				20
21		(27) Signals and interlockers	197,597				21
22		(29) Power plants					22
23		(31) Power transmission systems					23
24		(35) Miscellaneous structures					24
25		(37) Roadway machines	52				25
26		(39) Public improvements - construction					26
27		(44) Shop machinery					27
28		(45) Power plant machinery					28
29		Leased property (capitalized rentals)					29
30		Other (specify and explain)					30
31		TOTAL ROAD	242,348	0	0	0	31
32		(52) Locomotives	93,706				32
33		(53) Freight train cars					33
34		(54) Passenger train cars					34
35		(55) Highway revenue equipment					35
36		(56) Floating equipment					36
37		(57) Work equipment					37
38		(58) Miscellaneous equipment	383				38
39		(59) Computer systems & WP equipment	14,527				39
40		TOTAL EQUIPMENT	108,616	0	0	0	40
41		(76) Interest during construction					41
42		(80) Other elements of investment					42
43		(90) Construction work in progress	183,367				43
44		GRAND TOTAL	534,331	0	0	0	44

**NOTES AND REMARKS**

See Notes and Remarks on page 99 for additional information.

**PTC 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			36		36		36	1
2		Bridge and Building			446	10	456		456	2
3		Signal		25	636	57	718		718	3
4		Communication								4
5		Other								5
		TOTAL ADMINISTRATION		25	1,118	67	1,210		1,210	
		REPAIR AND MAINTENANCE:								
6		Roadway - Running								6
7		Roadway - Switching								7
8		Tunnels and Subways - Running								8
9		Tunnels and Subways - Switching								9
10		Bridges and Culverts - Running								10
11		Bridges and Culverts - Switching								11
12		Ties - Running								12
13		Ties - Switching								13
14		Rail and Other Track Material - Running								14
15		Rail and Other Track Material - Switching								15
16		Ballast - Running								16
17		Ballast - Switching								17
18		Road Property Damaged - Running								18
19		Road Property Damaged - Switching								19
20		Road Property Damaged - Other								20
21		Signals and Interlockers - Running		16			16		16	21
22		Signals and Interlockers - Switching								22
23		Communications Systems		1			1		1	23
24		Power Systems								24
25		Highway Grade Crossings- Running			3	25	28		28	25
26		Highway Grade Crossings- Switching								26
27		Station and Office Buildings		1	48		49		49	27
28		Shop Buildings - Locomotives			3		3		3	28
29		Shop Buildings - Freight Cars			3		3	N/A	3	29
30		Shop Buildings - Other Equipment								30



**PTC 410. RAILWAY OPERATING EXPENSES - Continued**

(Dollars in Thousands)

Line No.	Cross Check	Name of railway operating expense account (a)	FREIGHT					Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)			
101		REPAIR AND MAINTENANCE - Continued: Locomotive Servicing Facilities								101
102		Miscellaneous Buildings and Structures			5		5		5	102
103		Coal Terminals						N/A		103
104		Ore Terminals						N/A		104
105		Other Marine Terminals						N/A		105
106		TOFC/COFC Terminals						N/A		106
107		Motor Vehicle Loading and Distribution Facilities						N/A		107
108		Facilities for Other Specialized Service Operations						N/A		108
109		Roadway Machines								109
110		Small Tools and Supplies								110
111		Snow Removal								111
112		Fringe Benefits - Running								112
113		Fringe Benefits - Switching								113
114		Fringe Benefits - Other								114
115		Casualties and Insurance - Running								115
116		Casualties and Insurance - Switching								116
117		Casualties and Insurance - Other								117
118	*	Lease Rentals - Debit- Running								118
119	*	Lease Rentals - Debit - Switching			31		31		31	119
120	*	Lease Rentals - Debit - Other								120
121	*	Lease Rentals - (Credit) - Running								121
122	*	Lease Rentals - (Credit) - Switching								122
123	*	Lease Rentals - (Credit) - Other								123
124		Joint Facility Rent - Debit - Running								124
125		Joint Facility Rent - Debit - Switching								125
126		Joint Facility Rent - Debit - Other								126
127	*	Joint Facility Rent - (Credit) - Running								127
128	*	Joint Facility Rent - (Credit) - Switching								128
129	*	Joint Facility Rent - (Credit) - Other								129
130	*	Other Rents - Debit -Running			1		1		1	130
131	*	Other Rents - Debit -Switching								131
132	*	Other Rents - Debit -Other			1		1		1	132
133	*	Other Rents - (Credit) -Running								133
134	*	Other Rents - (Credit) -Switching								134
135	*	Other Rents - (Credit) -Other								135

**PTC 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								136
137	*	Depreciation - Switching								137
138	*	Depreciation - Other				3,853	3,853		3,853	138
139		Joint Facility - Debit - Running								139
140		Joint Facility - Debit - Switching								140
141		Joint Facility - Debit - Other								141
142		Joint Facility - (Credit) - Running								142
143		Joint Facility - (Credit) - Switching								143
144		Joint Facility - (Credit) - Other								144
145		Dismantling Retired Road Property - Running								145
146		Dismantling Retired Road Property - Switching								146
147		Dismantling Retired Road Property - Other								147
148		Other - Running								148
149		Other - Switching								149
150		Other - Other								150
		TOTAL REPAIR AND MAINTENANCE		18	95	3,878	3,991		3,991	
151		TOTAL WAY AND STRUCTURES		43	1,213	3,945	5,201		5,201	151
		EQUIPMENT:								
		LOCOMOTIVES:								
201		Administration								201
202	*	Repair and Maintenance								202
203	*	Machinery Repair								203
204		Equipment Damaged								204
205		Fringe Benefits								205
206		Other Casualties and Insurance								206
207	*	Lease Rentals - Debit								207
208	*	Lease Rentals - (Credit)								208
209		Joint Facility Rent - Debit								209
210	*	Joint Facility Rent - (Credit)								210
211	*	Other Rents - Debit								211
212	*	Other Rents - (Credit)								212
213	*	Depreciation				2,666	2,666		2,666	213
214		Joint Facility - Debit								214
215		Joint Facility - (Credit)								215
216	*	Repairs Billed to Others - (Credit)								216
217		Dismantling Retired Property								217

**PTC 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								218
219		TOTAL LOCOMOTIVES				2,666	2,666		2,666	219
220		FREIGHT CARS: Administration						N/A		220
221	*	Repair and Maintenance						N/A		221
222	*	Machinery Repair						N/A		222
223		Equipment Damaged						N/A		223
224		Fringe Benefits						N/A		224
225		Other Casualties and Insurance						N/A		225
226	*	Lease Rentals - Debit						N/A		226
227	*	Lease Rentals - (Credit)						N/A		227
228		Joint Facility Rent - Debit						N/A		228
229	*	Joint Facility Rent - (Credit)						N/A		229
230	*	Other Rents - Debit						N/A		230
231	*	Other Rents - (Credit)						N/A		231
232	*	Depreciation						N/A		232
233		Joint Facility - Debit						N/A		233
234		Joint Facility - (Credit)						N/A		234
235	*	Repairs Billed to Others - (Credit)						N/A		235
236		Dismantling Retired Property						N/A		236
237		Other						N/A		237
238		TOTAL FREIGHT CARS						N/A		238
301		OTHER EQUIPMENT: Administration								301
302	*	Repair and Maintenance: Trucks, Trailers and Containers - Revenue Service						N/A		302
303	*	Floating Equipment - Revenue Service						N/A		303
304	*	Passenger and Other Revenue Equipment								304
305	*	Computer Systems and Word Processing Equipment		1	1,096			1,097	1,097	305
306	*	Machinery								306
307	*	Work and Other Non-Revenue Equipment			6			6	6	307
308		Machinery								308
309		Fringe Benefits								309
310		Other Casualties and Insurance								310
311	*	Lease Rentals - Debit								311

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

Line No.	Cross Check	Name of railway operating expense account (a)	FREIGHT					Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)			
		OTHER EQUIPMENT - Continued:								
312	*	Lease Rentals - (Credit)								312
313		Joint Facility Rent - Debit								313
314	*	Joint Facility Rent - (Credit)								314
315	*	Other Rents - Debit								315
316	*	Other Rents - (Credit)								316
317	*	Depreciation				1,475	1,475		1,475	317
318		Joint Facility - Debit								318
319		Joint Facility - (Credit)								319
320	*	Repairs Billed to Others - (Credit)								320
321		Dismantling Retired Property								321
322		Other								322
323		TOTAL OTHER EQUIPMENT		1	1,102	1,475	2,578		2,578	323
324		TOTAL EQUIPMENT		1	1,102	4,141	5,244		5,244	324
		TRANSPORTATION:								
		TRAIN OPERATIONS:								
401		Administration			2		2		2	401
402		Engine Crews								402
403		Train Crews								403
404		Dispatching Trains								404
405		Operating Signals and Interlockers								405
406		Operating Drawbridges								406
407		Highway Crossing Protection								407
408		Train Inspection and Lubrication								408
409	*	Locomotive Fuel								409
410		Electric Power Purchased or Produced for Motive Power								410
411		Servicing Locomotives								411
412		Freight Lost or Damaged - Solely Related								412
413		Clearing Wrecks								413
414		Fringe Benefits								414
415		Other Casualties and Insurance								415
416		Joint Facility - Debit								416
417		Joint Facility - (Credit)								417
418		Other								418
419		TOTAL TRAIN OPERATIONS			2		2		2	419

**PTC 410. RAILWAY OPERATING EXPENSES - Continued**

(Dollars in Thousands)

Line No.	Cross Check	Name of railway operating expense account (a)	FREIGHT					Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)			
420		YARD OPERATIONS: Administration								420
421		Switch Crews								421
422		Controlling Operations								422
423		Yard and Terminal Clerical								423
424		Operating Switches, Signals, Retarders and Humps								424
425	*	Locomotive Fuel								425
426		Electric Power Purchased or Produced for Motive Power								426
427		Servicing Locomotives								427
428		Freight Lost or Damaged - Soley Related								428
429		Clearing Wrecks								429
430		Fringe Benefits								430
431		Other Casualties and Insurance								431
432		Joint Facility - Debit								432
433		Joint Facility - (Credit)								433
434		Other								434
435		TOTAL YARD OPERATIONS								435
501		TRAIN AND YARD OPERATIONS COMMON: Cleaning Car Interiors								501
502		Adjusting and Transferring Loads						N/A		502
503		Car Loading Devices and Grain Doors						N/A		503
504		Freight Lost or Damaged - All Other								504
505		Fringe Benefits								505
506		TOTAL TRAIN AND YARD OPERATIONS COMMON								506
507	*	SPECIALIZED SERVICES OPERATIONS: Administration			16		16	N/A	16	507
508	*	Pickup and Delivery and Marine Line Haul						N/A		508
509	*	Loading and Unloading and Local Marine						N/A		509
510	*	Protective Services						N/A		510
511	*	Freight Lost or Damaged - Solely Related						N/A		511
512	*	Fringe Benefits						N/A		512
513	*	Casualties and Insurance						N/A		513
514	*	Joint Facility - Debit						N/A		514
515	*	Joint Facility - (Credit)						N/A		515
516	*	Other						N/A		516
517	*	TOTAL SPECIALIZED SERVICES OPERATIONS			16		16	N/A	16	517

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

Line No.	Cross Check	Name of railway operating expense account (a)	FREIGHT					Passenger (g)	Total (h)	Line No.	
			Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)				
518		ADMINISTRATIVE SUPPORT OPERATIONS: Administration								518	
519		Employees Performing Clerical and Accounting Functions								519	
520		Communications Systems Operation								520	
521		Loss and Damage Claims Processing								521	
522		Fringe Benefits								522	
523		Casualties and Insurance								523	
524		Joint Facility - Debit								524	
525		Joint Facility - (Credit)								525	
526		Other								526	
527		TOTAL ADMINISTRATIVE SUPPORT OPERATIONS								527	
528		TOTAL TRANSPORTATION			18			18		18	528
601		GENERAL AND ADMINISTRATIVE: Officers - General Administration									601
602		Accounting, Auditing and Finance									602
603		Management Services and Data Processing		2	151			153		153	603
604		Marketing									604
605		Sales									605
606		Industrial Development						N/A			606
607		Personnel and Labor Relations									607
608		Legal and Secretarial									608
609		Public Relations and Advertising									609
610		Research and Development									610
611		Fringe Benefits									611
612		Casualties and Insurance									612
613		Writedown of Uncollectible Accounts									613
614		Property Taxes									614
615		Other Taxes Except on Corporate Income or Payrolls					5	5		5	615
616		Joint Facility - Debit									616
617		Joint Facility - (Credit)									617
618		Other			4,864		6,344	11,208		11,208	618
619		TOTAL GENERAL AND ADMINISTRATIVE		2	5,015		6,349	11,366		11,366	619
620	*	TOTAL CARRIER OPERATING EXPENSES		46	7,348		14,435	21,829		21,829	620

PTC 700. MILEAGE OPERATED AT CLOSE OF YEAR										
Line No.	Class (a)	Proportion owned or leased by respondent (b)	Running tracks, passing tracks, cross-overs, etc.				Miles of way switching tracks (g)	Miles of yard switching tracks (h)	TOTAL (i)	Line No.
			Miles of road (c)	Miles of second main track (d)	Miles of all other main tracks (e)	Miles of passing tracks, cross-overs, and turnouts (f)				
1										1
2										2
3										3
4										4
5										5
6										6
7										7
8										8
9										9
10										10
11										11
12										12
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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		0	0	0	0			0	57
58	Miles of electrified road or track included in the preceding grand total									

**NOTES AND REMARKS**



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

Road Initials: NS-Rail Year 2013

Line No.	Cross Check	Type or design of units (a)	Units in service of respondent at beginning of year (b)	Changes During the Year				Units 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)	
				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										(HP)		1
2		Diesel-passenger units												2
3		Diesel-multiple purpose units												3
4		Diesel-switching units												4
5	*	TOTAL (lines 1 to 4) units												5
6	*	Electric locomotives												6
7	*	Other self-powered units												7
8	*	TOTAL (lines 5, 6, and 7)												8
9	*	Auxiliary units										N/A		9
10	*	TOTAL LOCOMOTIVE UNITS (lines 8 and 9)										N/A		10

**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 1/1/1980 (b)	Between 1/1/1980 and 12/31/1984 (c)	Between 1/1/1985 and 12/31/1989 (d)	Between 1/1/1990 and 12/31/1994 (e)	Between 1/1/1995 and 12/31/1999 (f)	During Calendar Year					Line No.	
								2000 (g)	2001 (h)	2002 (i)	2003 (j)	2004 (k)		TOTAL (l)
11	*	Diesel												11
12	*	Electric												12
13	*	Other self-powered units												13
14	*	TOTAL (lines 11 to 13)												14
15	*	Auxiliary units												15
16	*	TOTAL LOCOMOTIVE UNITS (lines 14 and 15)										N/A		16

**NOTES AND REMARKS**

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

Line No.	Cross Check	Type or design of units (a)	Units in service of respondent at beginning of year (b)	Changes During the Year				Units 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)	
				New units purchased or built (c)	New units leased from others (d)	Rebuilt units acquired and rebuilt units rewritten into property accounts (e)	All other units including reclassification and second hand units purchased or leased from others (f)							
17		Passenger-Train Cars Non-Self-Propelled Coaches (PA, PB, 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
		Dining, grill, & tavern cars (All class D, PD)										N/A		
22		Nonpassenger carrying cars (All class B, CSB, M, PSA, IA)										N/A		22
23		TOTAL (Lines 17 to 22)												23
		Self-Propelled												
24		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
		Company Service Cars												
30		Business cars (PV)										N/A		30
31		Board outfit cars (MWX)										N/A		31
32		Derrick & snow removal cars (MWU, MWV, MWW, MWK)										N/A		32
33		Dump and ballast cars (MWB, MWD)										N/A		33
34		Other maintenance and service equipment cars										N/A		34
35		TOTAL (Lines 30 to 34)										N/A		35

## PTC 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			All other units, including reclassification and second hand units purchased or leased from others (g)	
					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)		
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__)							37
38		Equipped box cars (All Code A, Except A_5_)							38
39		Plain gondola cars (All Codes G & J, J_1, J_2, J_3, J_4)							39
40		Equipped gondola cars (All Code E)							40
41		Covered hopper cars (C_1, C_2, C_3, C_4)							41
42		Open top hopper cars - general service (All Code H)							42
43		Open top hopper cars - special service (J__O), and All Code K)							43
44		Refrigerator cars - mechanical (R_5_, R_6_, R_7_, R_8_, R_9_)							44
45		Refrigerator cars - nonmechanical (R_0_, R_1_, R_2_)							45
46		Flat cars - TOFC/COFC (All Code P, Q, & S, Except Q8_)							46
47		Flat cars - multilevel (All Code V)							47
48		Flat cars - general service (F10_, F20_, F30_)							48
49		Flat cars - other (F_1_, F_2_, F_3_, F_4_, F_5_, F_6_, F_8_, F40_)							49
50		Tank cars - under 22,000 gal. (T_0, T_1, T_2, T_3, T_4, T_5)							50
51		Tank cars - 22,000 gal. and over (T_6, T_7, T_8, T_9)							51
52		All other freight cars (A_5_, F_7_, All Code L & Q8_)							52
53		TOTAL (Lines 36 to 52)							53
54		Caboose (All Code M-930)	N/A						54
55		TOTAL (Lines 53 and 54)							55

**PTC 710. INVENTORY OF EQUIPMENT - Continued**

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

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

Line No.	Cross Check	Changes during year (concluded)	Units at close of year						Line No.
		Units retired from service of respondent whether owned or leased including reclassification (h)	Owned and used (i)	Leased from others (j)	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									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						N/A		N/A	54
55									55

**PTC 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 road at beginning of		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)	
		<b>FLOATING EQUIPMENT</b>							
56		Self-propelled vessels (tugboats, car ferries, etc.)	N/A						56
57		Non-self-propelled vessels (car floats, lighters, etc.)	N/A						57
58		TOTAL (Lines 56 and 57)	N/A						58
		<b>HIGHWAY REVENUE EQUIPMENT</b>							
59		Chassis (Z1_, Z67_, Z68_, Z_69_)							59
60		Dry van (U2_, Z_, Z6_, I-6)							60
61		Flat bed (U3_, Z3_)							61
62		Open bed (U4_, Z4_)							62
63		Mechanical refrigerator (U5_, Z5_)							63
64		Bulk hopper (U0_, Z0_)							64
65		Insulated (U7_, Z7_)							65
66		Tank (Z0_, U6_) (See note)							66
67		Other trailer and container (Special equipped dry van U9_, Z8_, Z9_)							67
68		Tractor							68
69		Truck							69
70		TOTAL (Lines 59 to 69)							70

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

**NOTES AND REMARKS**

**PTC 710. INVENTORY OF EQUIPMENT - Concluded**

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

Line No.	Cross Check	Changes during year (concluded)	Units at close of year						Line No.
		Units retired from service of respondent whether owned or leased including reclassification (h)	Owned and used (i)	Leased from others (j)	Total in service of respondent (col. (i) & (j))		Aggregate capacity of units reported in col (k) & (l) (see ins. 4) (m)	Leased to Others (n)	
					Per diem (k)	All Others (l)			
56					N/A				56
57					N/A				57
58					N/A				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

**NOTES AND REMARKS**

**PTC 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						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	<b>TOTAL</b>	0	0	0	N/A	25

**REBUILT UNITS**

26						26
27						27
28						28
29						29
30						30
31						31
32						32
33						33
34						34
35						35
36						36
37						37
38	<b>TOTAL</b>	0	0	0	N/A	38
39	<b>GRAND TOTAL</b>	0	0	0	N/A	39

**NOTES AND REMARKS**

**GENERAL INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE PTC 720**

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	0	N/A	N/A	0	1
2	B	0	N/A	N/A	0	2
3	C	0	N/A	N/A	0	3
4	D	0	N/A	N/A	0	4
5	E	0	XXXXXXXXXX	XXXXXXXXXX	N/A	5
6	TOTAL	0	N/A	N/A	0	6
7	F	0	XXXXXXXXXX	XXXXXXXXXX	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.



**Footnote: PTC Grants**  
(Dollars in thousands)

In addition to separating capital expenses and operating expenses incurred by the railroad for PTC, the respondent entity shall include by footnote disclosure here the value of funds received from non-government and government transfers to include grants, subsidies, and other contributions or reimbursements that the respondent entity used to purchase or create PTC assets or to offset PTC costs. These amounts represent non-railroad monies that the respondent entity used or designated for PTC and would provide for full disclosure of PTC costs on an annual basis. This disclosure shall identify the nature and location of the project by FRA identification, if applicable. If FRA identification is not applicable, the disclosure shall identify the location at the state or regional level.

Line No.	Entity Receiving Funds	Entity Dispensing Funds	Name of Program Providing Funding	Location(s) of the Project Funded	Amount of Funding Received	Line No.
1						1
2						2
3						3
4						4
5						5
6						6
7						7
8						8
9						9
10						10
11						11
12						12
13						13
14						14
15						15
16						16
17						17
18						18
19						19
20						20
21						21
22						22
23						23
24						24

**NOTES AND REMARKS**

The following relates to grants received by Meteorcomm, LLC (see Notes and Remarks on page 99 for additional details), as follows:

<u>Entity Receiving Funds</u>	<u>Entity Dispensing Funds</u>	<u>Name of Program Providing Funding</u>	<u>Location(s) of Project Funded</u>	<u>Amount of Funding Received</u>
Meteorcomm, LLC	Federal Railroad Administration - Office of Financial Services	Federal Railroad Administration/US Department of Transportation	Renton, WA	See below
 <u>Amount of Funding Received</u>				
	<u>Balance at beginning of year</u>	<u>Current year</u>	<u>Balance at close of year</u>	
Meteorcomm, LLC	\$19,200	\$1,900	\$21,100	

**VERIFICATION**

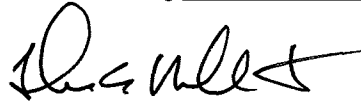
The foregoing report shall be verified by the oath of the officer having control of the accounting of the respondent. This report shall also be verified by the oath of the president or other chief officer of the respondent, unless the respondent states that such officer has no control over the respondent's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

**OATH**

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

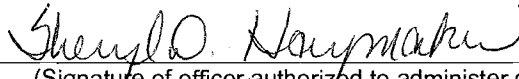
**Commonwealth of Virginia  
City of Norfolk**

**Thomas E. Hurlbut** makes oath and states 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 that have been prepared in accordance with the provisions of the Uniform System of Accounts for Railroad Companies 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, 2013**, to and including **December 31, 2013**.



(Signature of affiant)

Subscribed and sworn to before me, a **Notary Public** in and for the State and City above named, this **31<sup>st</sup>** day of **March, 2014**. My commission expires **July 31, 2014**.



(Signature of officer authorized to administer oaths)

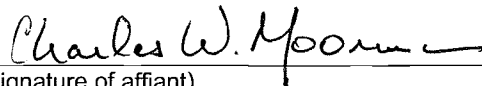
Commission ID No. 7024286  
My Commission Expires 07/31/2014

**SUPPLEMENTAL OATH**

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

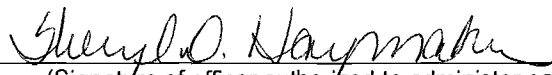
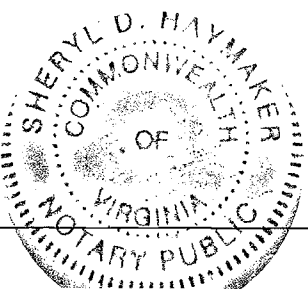
**Commonwealth of Virginia  
City of Norfolk**

**Charles W. Moorman** makes oath and states that he is **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, 2013**, to and including **December 31, 2013**.



(Signature of affiant)

Subscribed and sworn to before me, a **Notary Public** in and for the State and City above named, this **31<sup>st</sup>** day of **March, 2014**. My commission expires **July 31, 2014**.



(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		
										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						

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