

Class I Railroad Annual Report

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



**To the Surface Transportation Board
For the year ending December 31, 2019**

ANNUAL REPORT

OF

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

TO THE

Surface Transportation Board

FOR THE

YEAR ENDED DECEMBER 31, 2019

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

(Name) Jason A. Zampi (Title) Vice President and Controller

(Telephone number) (757) 629-2680
(Area Code)

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

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

TABLE OF CONTENTS

| | Schedule | Page |
|--|------------|------|
| Schedules Omitted by Respondent | A | 1 |
| Identity of Respondent | B | 2 |
| Voting Powers and Elections | C | 3 |
| Comparative Statement of Financial Position | 200 | 5 |
| Results of Operations | 210 | 16 |
| Consolidated Statements of Comprehensive Income | 210A | 19 |
| Retained Earnings | 220 | 20 |
| Statement of Cash Flows | 240 | 21 |
| Working Capital | 245 | 23 |
| Investments and Advances Affiliated Companies | 310 | 26 |
| Investments in Common Stocks of Affiliated Companies | 310A | 30 |
| Road Property and Equipment and Improvements to Leased Property and Equipment | 330 | 32 |
| Depreciation Base and Rates - Road and Equipment Owned and Used and Leased from Others | 332 | 34 |
| Accumulated Depreciation - Road and Equipment Owned and Used | 335 | 35 |
| Accumulated Depreciation - Improvements to Road and Equipment Leased from Others | 342 | 36 |
| Investment in Railroad Property Used in Transportation Service (By Company) | 352A | 38 |
| Investment in Railway Property Used in Transportation Service (By Property Account) | 352B | 39 |
| Railway Operating Expenses | 410 | 41 |
| Way and Structures | 412 | 48 |
| Rents for Interchanged Freight Train Cars and Other Freight - Carrying Equipment | 414 | 49 |
| Supporting Schedule - Equipment | 415 | 52 |
| Supporting Schedule - Improvements to Equipment Leased from Others | 415 | 53A |
| Specialized Service Subschedule - Transportation | 417 | 54 |
| Analysis of Taxes | 450 | 55 |
| Guaranties and Suretyships | 501 | 57 |
| Compensating Balances and Short-Term Borrowing Arrangements | 502 | 58 |
| Separation of Debtholdings Between Road Property and Equipment | 510 | 59 |
| Transactions Between Respondent and Companies or Persons Affiliated with Respondent for Services Received or Provided | 512 | 61 |
| Mileage Operated at Close of Year | 700 | 63 |
| Miles of Road at Close of Year - By States and Territories (Single Track) | 702 | 64 |
| Inventory of Equipment | 710 | 66 |
| Unit Cost of Equipment Installed During the Year | 710S | 72 |
| Track and Traffic Conditions | 720 | 73 |
| Consumption of Diesel Fuel | 750 | 74 |
| Railroad Operating Statistics | 755 | 77 |
| PTC Supplement | PTC | 81 |
| PTC Road Property and Equipment and Improvements to Leased Property and Equipment | PTC 330 | 82 |
| PTC Depreciation Base and Rates - Road and Equipment Owned and Leased from Others | PTC 332 | 84 |
| PTC Accumulated Depreciation - Road and Equipment Owned and Used | PTC 335 | 85 |
| PTC Investment in Railroad Property Used in Transportation Service (By Property Accounts) | PTC 352B | 86 |
| PTC Railway Operating Expenses | PTC 410 | 87 |
| PTC Mileage Operated at Close of Year | PTC 700 | 94 |
| PTC Inventory of Equipment | PTC 710 | 96 |
| PTC Unit Cost of Equipment Installed During the Year | PTC 710S | 102 |
| PTC Track and Traffic Conditions | PTC 720 | 103 |
| Footnote: PTC Grants | PTC Grants | 104 |
| Verification | | 105 |
| Memoranda | | 106 |
| Index | | 107 |

SPECIAL NOTICE

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

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

Supplemental Information about the Annual Report (R-1)

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

This information collection is mandatory pursuant to 49 U.S.C. § 11145. The estimated hour burden for filing this report is estimated at no more than 800 hours. Information in the Annual Reports is used to monitor and assess railroad industry growth, financial stability, traffic, and operations and to identify industry changes that may affect national transportation policy. In addition, the Board uses data from these reports to more effectively carry out its regulatory responsibilities, such as acting on railroad requests for authority to engage in Board regulated financial transactions (for example, mergers, acquisitions of control, consolidations and abandonments); developing the Uniform Rail Cost System (UCRS); conducting rail revenue adequacy proceedings; developing rail cost adjustment factors; and conducting investigations and rulemakings. The information in this report is ordinarily maintained by the agency in hard copy for 10 years, after which it is transferred to the National Archives, where it is maintained as a permanent record. In addition, some of the information is posted on the Board's website, where it may remain indefinitely. All information collected through this report is available to the public. Under the PRA, a federal agency may not conduct or sponsor, and a person is not required to respond to, nor shall a person be subject to a penalty for failure to comply with, a collection of information unless it displays a currently valid OMB control number. Comments and questions about this collection (2140-0009) should be directed to Paperwork Reduction Officer, Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001.

A. SCHEDULES OMITTED BY RESPONDENT

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

| Page | Schedule No. | Title |
|------|--------------|-------------|
| | | NONE |

B. IDENTITY OF RESPONDENT

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

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

- 1 Exact name of common carrier making this report Norfolk Southern Combined Railroad Subsidiaries* (NS Rail) is
principally composed of Norfolk Southern Railway Company.
- 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 11 Schedule 200 on page 10.

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

STOCKHOLDERS REPORTS

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

Check appropriate box:

- Two copies are attached to this report.
- Two copies will be submitted on:
- 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 yes, 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 relationship 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 yes, 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, 2019 (date)
8. State the total number of stockholders of record, as of the date shown in answer to inquiry No. 7. One stockholder.
9. Give the names of the thirty security holders of the respondent who, at the date of the latest closing of the stock book or compilation of the list of stockholders of the respondent (if within 1 year prior to the actual filing of this report), had the highest voting powers in the respondent, showing for each, his address, the number of votes he would have had a right to cast on that date had a meeting then been in order, and the classification of the number of votes to which he was entitled, with respect to securities held by him, such securities being classified as common stock, second preferred stock, first preferred stock, and other securities, stating in a footnote the names of such other securities (if any). If any such holder held in trust, give (in a footnote) the particulars of the trust. In the case of voting trust agreement, give as supplemental information the names and addresses of the thirty largest holders of the voting trust certificates and the amount of their individual holdings. If the stock book was not closed or the list of stockholders compiled within such year, show such thirty security holders as of the close of the year.

| Line No. | Name of Security Holder | Address of Security Holder | Number of votes to which security holder was entitled | NUMBER OF VOTES, CLASSIFIED WITH RESPECT TO SECURITIES ON WHICH BASED | | | Line No. |
|----------|----------------------------------|----------------------------|---|---|-----------|--|----------|
| | | | | Stock | | | |
| | | | | Common | PREFERRED | | |
| Second | First | | | | | | |
| 1 | Norfolk Southern Railway: | | | | | | 1 |
| 2 | Norfolk Southern Corp. | Norfolk, VA | 16,668,997 | 16,668,997 | | | 2 |
| 3 | | | | | | | 3 |
| 4 | | | | | | | 4 |
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| 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, 2019

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

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 | Central of Georgia, 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 R.L. de C.V. |
| | North Carolina Midland Railroad Company, The |
| | NS Spectrum Corporation |
| | PLS Investment, LLC |
| | Rail Investment Company |
| | 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 |
| | TCV, Inc. |
| | Thoroughbred Direct Intermodal Services, Inc. |
| | Thoroughbred Emissions Research, LLC |
| | Thoroughbred Funding, Inc. |
| | Thoroughbred Logistics Services, Inc. |
| | Thoroughbred Technology & 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 |
| <u>Class II</u> | |
| Central of Georgia Railroad Company | |
| Georgia Southern and Florida Railway Company | |
| <u>Class III</u> | |
| Camp Lejeune Railroad Company | |
| Chesapeake Western Railway | |
| Interstate Railroad Company | |
| Norfolk and Portsmouth Belt Line Railroad Company | |
| State University Railroad Company | |
| Tennessee, Alabama & Georgia Railway Company | |
| Tennessee Railway Company | |

| 200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - ASSETS | | | | | | |
|---|-------------|-------------------|--|---------------------------------|-------------------------------------|----------|
| (Dollars in Thousands) | | | | | | |
| Line No. | Cross Check | Account | Title (a) | Balance at close of year (b) | Balance at beginning of year (c) | Line No. |
| Current Assets | | | | | | |
| 1 | | 701 | Cash and Cash Equivalents | 532,259 | 313,590 | 1 |
| 2 | | 702 | Temporary Cash Investments | | | 2 |
| 3 | | 703 | Special Deposits | | | 3 |
| Accounts Receivable | | | | | | |
| 4 | | 704 | - Loan and Notes | 400 | 446 | 4 |
| 5 | | 705 | - Interline and Other Balances | 20,248 | 41,914 | 5 |
| 6 | | 706 | - Customers | 545,820 | 552,953 | 6 |
| 7 | | 707 | - Other | 138,166 | 144,250 | 7 |
| 8 | | 709, 708 | - Accrued Accounts Receivables | 211,287 | 237,115 | 8 |
| 9 | | 708.5 | - Receivables from Affiliated Companies | 19,865,080 | 15,872,549 | 9 |
| 10 | | 709.5 | - Less: Allowance for Uncollectible Accounts | (6,399) | (4,608) | 10 |
| 11 | | 710, 711, 714 | Working Funds Prepayments Deferred Income Tax Debits | 180,190 | 106,248 | 11 |
| 12 | | 712 | Materials and Supplies | 242,920 | 206,310 | 12 |
| 13 | | 713, 713.5, 713.6 | Other Current Assets | 72,734 | 87,774 | 13 |
| 14 | | | TOTAL CURRENT ASSETS | 21,802,705 | 17,558,541 | 14 |
| Other Assets | | | | | | |
| 15 | | 715, 716, 717 | Special Funds | 192,522 | 30,093 | 15 |
| 16 | | 721, 721.5 | Investments and Advances Affiliated Companies (Schedule 310 and 310A) | 1,299,826 | 1,234,259 | 16 |
| 17 | | 722, 723 | Other Investments and Advances | 9,283 | 10,209 | 17 |
| 18 | | 737, 738 | Property Used in Other than Carrier Operation (less Depreciation) \$58,811 and \$56,989, respectively | 86,251 | 115,053 | 18 |
| 19 | | 739, 741 | Other Assets | 609,872 | 138,920 | 19 |
| 20 | | 743 | Other Deferred Debits | 2,498 | 660 | 20 |
| 21 | | 744 | Accumulated Deferred Income Tax Debits | | | 21 |
| 22 | | | TOTAL OTHER ASSETS | 2,200,252 | 1,529,194 | 22 |
| Road and Equipment | | | | | | |
| 23 | | 731, 732 | Road (Schedule 330, L-30 Col. h & b) | 31,918,651 | 31,244,061 | 23 |
| 24 | | 731, 732 | Equipment (Schedule 330, L-39 Col. h & b) | 10,775,605 | 10,746,890 | 24 |
| 25 | | 731, 732 | Unallocated Items | 656,378 | 884,592 | 25 |
| 26 | | 733, 735 | Accumulated Depreciation and Amortization (Schedules 335, 342) | (12,411,335) | (12,578,467) | 26 |
| 27 | | | Net Road and Equipment | 30,939,299 | 30,297,076 | 27 |
| 28 | * | | TOTAL ASSETS | 54,942,256 | 49,384,811 | 28 |
| 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 | | | |
| 29 | | 751 | Loans and Notes Payable | | | 29 |
| 30 | | 752 | Accounts Payable; Interline and Other Balances | 1,001 | 599 | 30 |
| 31 | | 753 | Audited Accounts and Wages | 33,489 | 39,412 | 31 |
| 32 | | 754 | Other Accounts Payable | 18,872 | 24,352 | 32 |
| 33 | | 755, 756 | Interest and Dividends Payable | 3,007 | 2,983 | 33 |
| 34 | | 757 | Payables to Affiliated Companies | 1,028,466 | 899,508 | 34 |
| 35 | | 759 | Accrued Accounts Payable | 1,350,869 | 1,415,926 | 35 |
| 36 | | 760, 761, 761.5, 762 | Taxes Accrued | 219,257 | 215,773 | 36 |
| 37 | | 763 | Other Current Liabilities | 173,088 | 100,925 | 37 |
| 38 | | 764 | Equipment Obligations and Other Long-Term Debt | 316,177 | 195 | 38 |
| 39 | | | TOTAL CURRENT LIABILITIES | 3,144,226 | 2,699,673 | 39 |
| | | | Non-Current Liabilities | | | |
| 40 | | 765, 767 | Funded Debt Unmatured | 138,085 | 451,826 | 40 |
| 41 | | 766 | Equipment Obligations | | | 41 |
| 42 | | 766.5 | Capitalized Lease Obligations | 6,160 | 1,259 | 42 |
| 43 | | 768 | Debt in Default | | | 43 |
| 44 | | 769 | Accounts Payable; Affiliated Companies | 9,771,977 | 8,149,313 | 44 |
| 45 | | 770.1, 770.2 | Unamortized Debt Premium | 30,579 | 41,499 | 45 |
| 46 | | 781 | Interest in Default | | | 46 |
| 47 | | 783 | Deferred Revenues-Transfers from Government Authorities | | | 47 |
| 48 | | 786 | Accumulated Deferred Income Tax Credits | 6,610,056 | 6,275,508 | 48 |
| 49 | | 771, 772, 774, 775, 782, 784 | Other Long-Term Liabilities and Deferred Credits | 3,944,172 | 3,569,231 | 49 |
| 50 | | | TOTAL NONCURRENT LIABILITIES | 20,501,029 | 18,488,636 | 50 |
| | | | Shareholders' Equity | | | |
| 51 | | 791, 792 | Total Capital Stock: | 166,690 | 166,690 | 51 |
| 52 | | | Common Stock | 166,690 | 166,690 | 52 |
| 53 | | | Preferred Stock | | | 53 |
| 54 | | 793 | Discount on Capital Stock | | | 54 |
| 55 | | 794, 795 | Additional Capital | 7,475,971 | 7,263,099 | 55 |
| 56 | | 797 | Retained Earnings: | | | 56 |
| 57 | | 798 | Appropriated | | | 57 |
| 58 | | 798.5 | Unappropriated | 24,085,125 | 21,271,391 | 58 |
| 59 | | 799 | Less Treasury Stock | | | 59 |
| 60 | | | Accumulated Other Comprehensive Income or (loss) | (430,785) | (504,678) | 59 |
| 61 | | | Total stockholders equity | 31,297,001 | 28,196,502 | 60 |
| 61 | | | Noncontrolling interest | | | 61 |
| 62 | | | Total equity (Lines 60 + 61) | 31,297,001 | 28,196,502 | 62 |
| 63 | * | | TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 54,942,256 | 49,384,811 | 63 |

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 14, PAGE 13
- (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 14, PAGE 13
- (c) Is any part of pension plan funded? Specify. Yes X No
(i) If funding is by insurance, give name of insuring company NOT APPLICABLE
If funding is by trust agreement, list trustee(s) THE BOARD OF MANAGERS OF THE RETIREMENT PLAN OF NORFOLK SOUTHERN CORPORATION AND PARTICIPATING SUBSIDIARY COMPANIES. AS OF DECEMBER 31, 2019, THE MEMBERS OF THE BOARD OF MANAGERS ARE ANNIE A. ADAMS, CHAIRMAN; COLIN M. BARTON, MEMBER; JASON A. ZAMPI, MEMBER.
Date of trust agreement or latest amendment DECEMBER 01, 2017
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 14, PAGE 13
- (e) Is any part of the pension plan fund invested in stock or other securities of the respondent or any of its affiliates? Specify. Yes No X
If yes, give number of the shares for each class of stock or other security:

Are voting rights attached to any securities held by the pension plan? Specify. Yes X No
If yes, who determines how stock is voted? THE 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 X No
5. (a) The amount of employers contribution to employee stock ownership plans for the current year was NONE.
- (b) The amount of investment tax credit used to reduce current income tax expense resulting from contributions to qualified employee stock ownership plans for the current year was NONE.
6. In reference to Docket No. 37465 specify the total amount of business entertainment expenditures charged to the nonoperating expense account. NONE
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 15 beginning on page 15D.

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

(a) Changes in Valuation Accounts

8. Marketable Equity Securities.

| | | 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

9. New Accounting Pronouncements

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, "Revenue from Contracts with Customers," and related amendments, which are jointly referred to as Accounting Standards Codification (ASC) Topic 606. This standard replaced most existing revenue recognition guidance in Generally Accepted Accounting Principles (GAAP) and requires entities to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. A performance obligation is defined as a promise in a contract to transfer a distinct good or service to the customer. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. We adopted the provisions of this standard on January 1, 2018, using the modified retrospective method. There was no cumulative effect of initially applying the standard, nor was there any material difference in revenue for the year ended December 31, 2018, as compared with GAAP that was in effect prior to January 1, 2018. See Note 10 for additional information.

In February 2018, the FASB issued ASU 2018-02, "Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income." This update is intended to reclassify the stranded tax effects resulting from tax reform from accumulated other comprehensive income (AOCI) to retained earnings. The amount of the reclassification is the difference between the amount initially charged or credited directly to other comprehensive income at the previously enacted U.S. federal corporate income tax rate that remains in AOCI and the amount that would have been charged or credited directly to other comprehensive income using the newly enacted U.S. federal corporate income tax rate. In the first quarter of 2018, we adopted the provisions of ASU 2018-02 resulting in an increase to "Accumulated Other Comprehensive Income or (loss)" of \$87 million and a corresponding increase to "Retained Earnings: Unappropriated," with no impact on "Total stockholders' equity."

In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)," and subsequent amendments, which replaced existing lease guidance in GAAP. We adopted the standard on January 1, 2019 using the modified retrospective method and used the effective date as our date of initial application. See Note 12 for additional information.

In June 2016, the FASB issued ASU 2016-13, "Credit Losses - Measurement of Credit Losses on Financial Instruments," which replaces the current incurred loss impairment method with a method that reflects expected credit losses. We adopted the standard on January 1, 2020. Because credit losses associated from our "Accounts receivable" have historically been insignificant, we do not expect this standard to have a material effect on our financial statements.

In December 2019, the FASB issued ASU 2019-12, "Simplifying the Accounting for Income Taxes," which adds new guidance to simplify the accounting for income taxes, changes the accounting for certain income tax transactions, and makes other minor changes. The new standard is effective as of January 1, 2021, and early adoption is permitted for any interim period for which financial statements have not been issued. We do not expect this standard to have a material effect on our financial statements. We will not adopt the standard early.

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

10. Railway Operating Revenues

The following table disaggregates our revenues by major commodity group:

| | <u>2019</u> | <u>2018</u> |
|-------------------------|-------------------------|------------------|
| | <i>(\$ in millions)</i> | |
| Merchandise: | | |
| Chemicals | \$ 1,874 | \$ 1,858 |
| Agriculture products | 1,567 | 1,514 |
| Metals and construction | 1,522 | 1,539 |
| Automotive | 994 | 991 |
| Forest and consumer | 846 | 842 |
| Merchandise | <u>6,803</u> | <u>6,744</u> |
| Intermodal | 2,824 | 2,893 |
| Coal | <u>1,669</u> | <u>1,821</u> |
| Total | <u>\$ 11,296</u> | <u>\$ 11,458</u> |

At the beginning of 2019, we recategorized certain commodities within Merchandise major commodity groups to better align with how we internally manage these commodities. Prior period amounts have been reclassified to conform to the current presentation with no net impact to overall Merchandise revenue or total railway operating revenues. Specifically, certain commodities were shifted between chemicals, agriculture products, metals and construction, and forest and consumer.

We recognize the amount of revenue we expect to be entitled to for the transfer of promised goods or services to customers. A performance obligation is created when a customer under a transportation contract or public tariff submits a bill of lading to NS for the transport of goods. These performance obligations are satisfied as the shipments move from origin to destination. As such, transportation revenue is recognized proportionally as a shipment moves, and related expenses are recognized as incurred. These performance obligations are generally short-term in nature with transit days averaging approximately one week or less for each commodity group. The customer has an unconditional obligation to pay for the service once the service has been completed. Estimated revenue associated with in-process shipments at period-end is recorded based on the estimated percentage of service completed to total transit days. We had no material remaining performance obligations at December 31, 2019 and 2018.

Revenue related to interline transportation services that involve another railroad is reported on a net basis. Therefore, the portion of the amount that relates to another party is not reflected in revenue.

Under the typical payment terms of our freight contracts, payment for services is due within fifteen days of billing the customer, thus there are no significant financing components. "Accounts receivable" on the Comparative Statement of Financial Position includes both customer and non-customer receivables as follows:

| | <u>2019</u> | <u>2018</u> |
|---------------------|-------------------------|------------------|
| | <i>(\$ in millions)</i> | |
| Customer | \$ 546 | \$ 553 |
| Non-customer | <u>20,229</u> | <u>16,292</u> |
| Accounts receivable | <u>\$ 20,775</u> | <u>\$ 16,845</u> |

Non-customer receivables include non-revenue-related amounts due from affiliated companies, other railroads, governmental entities, and others. "Special funds" on the Comparative Statement of Financial Position includes non-current customer receivables of \$23 million and \$55 million at December 31, 2019 and 2018, respectively. In 2019, we wrote off a \$32 million non-current customer receivable resulting from a legal dispute and this expense is included in "Railway operating expenses" on the Results of Operations. We do not have any material contract assets or liabilities at December 31, 2019 and 2018.

Certain accessorial services may be provided to customers under their transportation contracts such as switching, demurrage and other incidental service revenues. These are distinct performance obligations that are recognized at a point in time when the services are performed or as contractual obligations are met. This revenue is included in accounts 104, 106, and 110 on the Results of Operations and represents approximately 5% and 4% of "Total Railway Operating Revenues" on the Results of Operations for the years ended December 31, 2019 and 2018, respectively.

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

11. Related Parties**General**

NS is our parent holding company. Rail operations are coordinated at the holding company level by the Chief Operating Officer. NS charges us a fee for management services it performs for us (which totaled \$753 million in 2019 and \$783 million in 2018, including a \$60 million markup in 2019 and a \$63 million markup in 2018). In addition, NS charges us a revenue-based licensing fee (which totaled \$168 million in 2019 and \$169 million in 2018) for the use of certain intangible assets owned by NS.

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.

CRC owns and operates certain properties (the Shared Assets Areas) for the joint and exclusive benefit of NSR and CSX Transportation, Inc. (CSXT). The costs of operating the Shared Assets Areas are borne by NSR and CSXT based on usage. In addition, NSR and CSXT pay CRC a fee for access to the Shared Assets Areas. "Railway operating expenses" include expenses payable to CRC for operation of the Shared Assets Areas totaling \$149 million in 2019, and \$150 million in 2018. Future payments for access fees due to CRC under the Shared Assets Areas agreements are as follows: \$40 million in each of 2020 through 2023 and \$16 million thereafter. NS provides certain general and administrative support functions to Conrail, the fees for which are billed in accordance with several service-provider arrangements and approximate \$6 million annually.

"Accrued accounts payable" includes \$264 million at December 31, 2019, and \$202 million at December 31, 2018, due to Conrail for the operation of the Shared Assets Areas.

Investment in TTX

NS and eight other North American railroads jointly own TTX Company (TTX). NS has a 19.65% ownership interest in TTX, a railcar pooling company that provides its owner-railroads with standardized fleets of intermodal, automotive, and general use railcars at stated rates.

Amounts paid to TTX for use of equipment are included in "Railway operating expenses." This amounted to \$244 million and \$262 million of expense, respectively, for the years ended December 31, 2019 and 2018. Our equity in the earnings of TTX, which offset the costs and are also included in "Railway operating expenses," totaled \$58 million for 2019 and \$61 million for 2018.

Intercompany Accounts

| | <u>2019</u> | <u>2018</u> |
|--|-------------------------|-------------|
| | <i>(\$ in millions)</i> | |
| Current: | | |
| Receivables from Affiliated Companies | \$ 19,865 | \$ 15,873 |
| Payables to Affiliated Companies | (1,028) | (900) |
| Long-term | | |
| Accounts Payable; Affiliated Companies | \$ (9,772) | \$ (8,149) |

Interest is applied to certain advances at the average NS yield on short-term investments and to the notes at specified rates. Interest rates on these notes range from 2.55% to 6.0% with maturity dates ranging from 2021 to 2118. NS' results include interest income on amounts due from NS of \$375 million in 2019 and \$296 million in 2018, and interest expense of \$316 million in 2019 and \$252 million in 2018 related to these intercompany accounts.

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 sharing agreement and are settled no later than the expiration of associated net operating loss carry forwards.

Cash Required for NS Debt

NS has outstanding approximately \$12.5 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.

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

12. Leases

In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)," and subsequent amendments, which replaced existing lease guidance in GAAP and requires lessees to recognize ROU assets and lease liabilities on the balance sheet for leases greater than twelve months and disclose key information about leasing arrangements. We adopted the standard on January 1, 2019 using the modified retrospective method and used the effective date as our date of initial application. Financial information will not be updated and the disclosures required under the new standard will not be provided for dates and periods before January 1, 2019. Upon adoption of the standard, we recognized ROU assets and corresponding lease liabilities of \$586 million on the Comparative Statement of Financial Position as of January 1, 2019. There were no adjustments to "Retained Earnings: Unappropriated" on adoption.

The new standard provides a number of optional practical expedients for transition. We elected the package of practical expedients under the transition guidance which permitted us not to reassess under the new standard our prior conclusions for lease identification and lease classification on expired or existing contracts and whether initial direct costs previously capitalized would qualify for capitalization under FASB ASC 842. We also elected the practical expedient related to land easements, which allowed us to not reassess our current accounting treatment for existing agreements on land easements, which are not accounted for as leases. We did not elect the hindsight practical expedient to determine the reasonably certain lease term for existing leases.

The new standard also provides practical expedients and recognition exemptions for an entity's ongoing accounting policy elections. We elected the short-term lease recognition exemption for all leases that qualify. This means, for those leases that qualify, we do not recognize ROU assets or lease liabilities. We also elected the practical expedient not to separate lease and non-lease components for all of our leases.

We are committed under long-term lease agreements for equipment, lines of road, and other property. Some of these agreements contain variable payment provisions that depend on an index or rate, initially measured using the index or rate at the lease commencement date, and are therefore not included in our future minimum lease payments. These variable lease agreements include usage-based payments for equipment under service contracts, lines of road, and other property. Our long-term lease agreements do not contain any material restrictive covenants.

Our equipment leases have remaining terms of less than 1 year to 9 years and our lines of road and land leases have remaining terms of less than 1 year to 138 years. Some of these leases include options to extend the leases for up to 99 years and some include options to terminate the leases within 30 days. Because we are not reasonably certain to exercise these renewal options, the options are not considered in determining the lease term, and associated payments are excluded from future minimum lease payments.

Leases with an initial term of twelve months or less are not recorded on the balance sheet. We recognize lease expense for these leases on a straight-line basis over the lease term.

Operating lease amounts included on the Comparative Statement of Financial Position were as follows:

| | | December 31, 2019 | |
|-------------------------------|--|--------------------------|-----|
| | | <i>(\$ in millions)</i> | |
| Assets | Classification | | |
| ROU assets | Other assets | \$ | 539 |
| Liabilities | | | |
| Current lease liabilities | Other current liabilities | \$ | 97 |
| Non-current lease liabilities | Other long-term liabilities and deferred credits | | 441 |
| Total lease liabilities | | \$ | 538 |

The components of total lease expense, primarily included in "Railway operating expenses," were as follows:

| | | 2019 | |
|--------------------------|--|-------------------------|-----|
| | | <i>(\$ in millions)</i> | |
| Operating lease expense | | \$ | 114 |
| Variable lease expense | | | 57 |
| Short-term lease expense | | | 5 |
| Total lease expense | | \$ | 176 |

At December 31, 2019, we do not have any material finance lease assets or liabilities, nor do we have any material subleases.

In March 2019, we entered into a non-cancellable lease for an office building with an estimated construction cost of \$550 million. The lease will commence upon completion of the construction (for which we are a construction agent) of the office building which is expected to be in 2021. The initial term of the lease is five years with options to renew, purchase, or sell the office building at the end of the lease term. Upon lease commencement, the ROU asset and lease liability will be determined and recorded. The lease also contains a residual value guarantee of up to ninety percent of the total construction cost.

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

Other information related to operating leases was as follows:

| | <u>December 31, 2019</u> |
|---|--------------------------|
| Weighted-average remaining lease term (years) on operating leases | 8.25 |
| Weighted-average discount rates on operating leases | 3.52% |

As the rates implicit in most of our leases are not readily determinable, we use a collateralized incremental borrowing rate based on the information available at the lease commencement date in determining the present value of future payments. We use the portfolio approach and group leases into short, medium, and long-term categories, applying the corresponding incremental borrowing rates to these categories of leases.

During 2019, ROU assets obtained in exchange for new operating lease liabilities were \$49 million. During 2019, cash paid for amounts included in the measurement of lease liabilities was \$114 million and is included in operating cash flows. During 2019, cash proceeds from a sale and leaseback transaction were \$82 million and the gain on the transaction was \$15 million.

Future minimum lease payments under non-cancellable operating leases were as follows:

| | <u>December 31, 2019</u> | |
|------------------------------------|--------------------------|------------|
| | <i>(\$ in millions)</i> | |
| 2020 | \$ | 110 |
| 2021 | | 104 |
| 2022 | | 79 |
| 2023 | | 70 |
| 2024 | | 61 |
| 2025 and subsequent years | | <u>206</u> |
| Total lease payments | | 630 |
| Less: Interest | | <u>92</u> |
| Present value of lease liabilities | <u>\$</u> | <u>538</u> |

Undiscounted future minimum lease payments under non-cancellable operating leases accounted for under ASC 840 "Leases" were as follows:

| | <u>December 31, 2018</u> | |
|---------------------------|--------------------------|------------|
| | <i>(\$ in millions)</i> | |
| 2019 | \$ | 101 |
| 2020 | | 95 |
| 2021 | | 88 |
| 2022 | | 75 |
| 2023 | | 69 |
| 2024 and subsequent years | | <u>267</u> |
| Total | <u>\$</u> | <u>695</u> |

Operating lease expense accounted for under ASC 840 "Leases" was as follows:

| | <u>2018</u> | |
|------------------|-------------------------|------------|
| | <i>(\$ in millions)</i> | |
| Minimum rents | \$ | 102 |
| Contingent rents | | <u>102</u> |
| Total | <u>\$</u> | <u>204</u> |

Contingent rents are primarily comprised of usage-based payments for equipment under service contracts.

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

13. Fair Value**Fair Value Measurements**

FASB 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.

The asset's or liability's fair value measurement level within the hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

14. 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 life insurance benefits to eligible retired employees; these plans can be amended or terminated at NS' option. Under NS' self-insured retiree health care plan, for those participants who are not Medicare-eligible, certain health care expenses are covered for retired employees and their dependents, reduced by any deductibles, coinsurance, and, in some cases, coverage provided under other group insurance policies. Those participants who are Medicare-eligible are not covered under the self-insured retiree health care plan, but instead are provided with an employer-funded health reimbursement account which can be used for reimbursement of health insurance premiums or eligible out-of-pocket medical expenses

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

Pension and Other Postretirement Benefit Obligations and Plan Assets

| | Pension Benefits | | Other Postretirement Benefits | |
|--|-------------------------|-----------------|--------------------------------------|-----------------|
| | 2019 | 2018 | 2019 | 2018 |
| | (\$ in millions) | | | |
| Change in benefit obligations: | | | | |
| Benefit obligation at beginning of year | \$ 2,371 | \$ 2,541 | \$ 466 | \$ 510 |
| Service cost | 35 | 39 | 6 | 7 |
| Interest cost | 93 | 83 | 17 | 15 |
| Actuarial losses (gains) | 235 | (149) | 28 | (24) |
| Plan amendment | — | — | (18) | — |
| Benefits paid | <u>(146)</u> | <u>(143)</u> | <u>(42)</u> | <u>(42)</u> |
| Benefit obligation at end of year | <u>2,588</u> | <u>2,371</u> | <u>457</u> | <u>466</u> |
| Change in plan assets: | | | | |
| Fair value of plan assets at beginning of year | 2,105 | 2,373 | 158 | 201 |
| Actual return on plan assets | 485 | (143) | 34 | (19) |
| Employer contribution | 18 | 18 | 20 | 18 |
| Benefits paid | <u>(146)</u> | <u>(143)</u> | <u>(42)</u> | <u>(42)</u> |
| Fair value of plan assets at end of year | <u>2,462</u> | <u>2,105</u> | <u>170</u> | <u>158</u> |
| Funded status at end of year | <u>\$ (126)</u> | <u>\$ (266)</u> | <u>\$ (287)</u> | <u>\$ (308)</u> |
| Amounts recognized in the Comparative Statement of Financial Position: | | | | |
| Special funds | \$ 194 | \$ 30 | \$ — | \$ — |
| Other Current Liabilities | (18) | (18) | — | — |
| Other Long-Term Liabilities and Deferred Credits | <u>(302)</u> | <u>(278)</u> | <u>(287)</u> | <u>(308)</u> |
| Net amount recognized | <u>\$ (126)</u> | <u>\$ (266)</u> | <u>\$ (287)</u> | <u>\$ (308)</u> |
| Amounts included in accumulated other comprehensive loss (before tax): | | | | |
| Net loss | \$ 781 | \$ 895 | \$ 29 | \$ 21 |
| Prior service cost (benefit) | 1 | 2 | (253) | (259) |

NS' accumulated benefit obligation for its defined benefit pension plans is \$2.3 billion and \$2.2 billion at December 31, 2019 and 2018, respectively. NS' unfunded pension plans, included above, which in all cases have no assets, had projected benefit obligations of \$320 million and \$296 million at December 31, 2019 and 2018, respectively, and had accumulated benefit obligations of \$292 million and \$263 million at December 31, 2019 and 2018, respectively.

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

Pension and Other Postretirement Benefit Cost Components

| | <u>2019</u> | <u>2018</u> |
|---------------------------------------|------------------|----------------|
| | (\$ in millions) | |
| Pension benefits: | | |
| Service cost | \$ 35 | \$ 39 |
| Interest cost | 93 | 83 |
| Expected return on plan assets | (179) | (177) |
| Amortization of net losses | 43 | 57 |
| Amortization of prior service cost | <u>1</u> | <u>—</u> |
| Net cost (benefit) | <u>\$ (7)</u> | <u>\$ 2</u> |
| Other postretirement benefits: | | |
| Service cost | \$ 6 | \$ 7 |
| Interest cost | 17 | 15 |
| Expected return on plan assets | (14) | (15) |
| Amortization of prior service benefit | <u>(24)</u> | <u>(24)</u> |
| Net benefit | <u>\$ (15)</u> | <u>\$ (17)</u> |

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

| | 2019 | |
|---|------------------|-----------------------|
| | <u>Pension</u> | <u>Other</u> |
| | <u>Benefits</u> | <u>Postretirement</u> |
| | (\$ in millions) | |
| Net loss (gain) arising during the year | \$ (71) | \$ 8 |
| Prior service effect of plan amendment | — | (18) |
| Amortization of net losses | (43) | — |
| Amortization of prior service (cost) benefit | <u>(1)</u> | <u>24</u> |
| Total recognized in other comprehensive income | <u>\$ (115)</u> | <u>\$ 14</u> |
| Total recognized in net periodic cost and other comprehensive income | <u>\$ (122)</u> | <u>\$ (1)</u> |

Net gains arising during the year for pension benefits were due primarily to higher actual returns on plan assets, partially offset by a decrease in discount rates. Net losses arising during the year for other postretirement benefits were due primarily to a decrease in discount rates, partially offset by higher actual returns on plan assets.

The estimated net losses for the pension plans that will be amortized from accumulated other comprehensive loss into net periodic cost over the next year are \$52 million. The estimated prior service benefit for the other postretirement benefit plans that will be amortized from accumulated other comprehensive loss into net periodic benefit over the next year is \$25 million.

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

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>2019</u> | <u>2018</u> |
|---|-------------|-------------|
| Pension funded status: | | |
| Discount rate | 3.38% | 4.33% |
| Future salary increases | 4.21% | 4.21% |
| Other postretirement benefits funded status: | | |
| Discount rate | 3.13% | 4.18% |
| Pension cost: | | |
| Discount rate – service cost | 4.55% | 4.01% |
| Discount rate – interest cost | 3.99% | 3.33% |
| Return on assets in plans | 8.25% | 8.25% |
| Future salary increases | 4.21% | 4.21% |
| Other postretirement benefits cost: | | |
| Discount rate – service cost | 4.39% | 3.83% |
| Discount rate – interest cost | 3.83% | 3.13% |
| Return on assets in plans | 8.00% | 8.00% |
| Health care trend rate | 6.50% | 6.30% |

To determine the discount rates used to measure NS' benefit obligations, 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.

NS uses a spot rate approach to estimate the service cost and interest cost components of net periodic benefit cost for NS' pension and other postretirement benefit plans.

Health Care Cost Trend Assumptions

For measurement purposes at December 31, 2019, increases in the per capita cost of pre-Medicare covered health care benefits were assumed to be 6.25% for 2020. It is assumed the rate will decrease gradually to an ultimate rate of 5.0% for 2025 and remain at that level thereafter.

Assumed health care cost trend rates affect 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:

| | One-percentage point | |
|--|-----------------------------|-----------------|
| | <u>Increase</u> | <u>Decrease</u> |
| | (\$ in millions) | |
| Increase (decrease) in: | | |
| Total service and interest cost components | \$ 1 | \$ (1) |
| Postretirement benefit obligation | 8 | (7) |

Asset Management

Eleven investment firms manage NS' defined benefit pension plans' assets under investment guidelines approved by NS' Benefits Investment Committee that is composed 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. Fixed income investments must consist predominantly of securities rated investment grade or higher. Equity investments must be in liquid securities listed on national exchanges. No investment is permitted in NS' securities (except through commingled pension trust funds).

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

NS' pension plans' weighted-average asset allocations, by asset category, were as follows:

| | Percentage of plan assets at December 31, | |
|---------------------------------|--|--------------|
| | 2019 | 2018 |
| Domestic equity securities | 50 % | 49 % |
| International equity securities | 24 % | 23 % |
| Debt securities | 24 % | 25 % |
| Cash and cash equivalents | 2 % | 3 % |
| 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, 2019 of 67% in equity securities and 33% in debt securities compared with 64% in equity securities and 36% in debt securities at December 31, 2018. 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 historical returns for the plans' asset classes determined from both actual plan returns and, over longer time periods, expected market returns for those asset classes. For 2020, 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 the security at the close of the active market.

Common collective trusts: The readily determinable fair value is based on the published fair value per unit of the trusts. The common collective trusts hold equity securities, fixed income securities and cash and cash equivalents.

Fixed income securities: Valued based on quotes received from independent pricing services or at an estimated price at which a dealer would pay for the security at year end using observable market-based inputs.

Commingled funds: The readily determinable fair value is based on the published fair value per unit of the funds. The commingled funds hold equity securities.

Cash and cash equivalents: Short-term Treasury 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.

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

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 at December 31, 2019 or 2018.

| | December 31, 2019 | | |
|--|--------------------------|-----------------|-----------------|
| | <u>Level 1</u> | <u>Level 2</u> | <u>Total</u> |
| | <i>(\$ in millions)</i> | | |
| Common stock | \$ 1,329 | \$ — | \$ 1,329 |
| Common collective trusts: | | | |
| International equity securities | — | 377 | 377 |
| Debt securities | — | 303 | 303 |
| Fixed income securities: | | | |
| Government and agencies securities | — | 172 | 172 |
| Corporate bonds | — | 84 | 84 |
| Mortgage and other asset-backed securities | — | 26 | 26 |
| Commingled funds | — | 121 | 121 |
| Cash and cash equivalents | 50 | — | 50 |
| | <u>50</u> | <u>—</u> | <u>50</u> |
| Total investments | <u>\$ 1,379</u> | <u>\$ 1,083</u> | <u>\$ 2,462</u> |
| | | | |
| | December 31, 2018 | | |
| | <u>Level 1</u> | <u>Level 2</u> | <u>Total</u> |
| | <i>(\$ in millions)</i> | | |
| Common stock | \$ 1,106 | \$ — | \$ 1,106 |
| Common collective trusts: | | | |
| International equity securities | — | 314 | 314 |
| Debt securities | — | 287 | 287 |
| Fixed income securities: | | | |
| Government and agencies securities | — | 89 | 89 |
| Corporate bonds | — | 83 | 83 |
| Mortgage and other asset-backed securities | — | 62 | 62 |
| Commingled funds | — | 92 | 92 |
| Cash and cash equivalents | 72 | — | 72 |
| | <u>72</u> | <u>—</u> | <u>72</u> |
| Total investments | <u>\$ 1,178</u> | <u>\$ 927</u> | <u>\$ 2,105</u> |

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

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 NS' share of the net assets of trust-owned life insurance issued by a major insurance company. The underlying investments of that trust consist of a U.S. stock account and a U.S. bond account but may retain cash at times as well. The U.S. stock account and U.S. bond account are valued based on readily determinable fair values.

The other postretirement benefit plan assets consisted of trust-owned life insurance with fair values of \$170 million and \$158 million at December 31, 2019 and 2018, respectively, and are valued under level 2 of the fair value hierarchy. There were no level 1 or level 3 valued assets.

Contributions and Estimated Future Benefit Payments

In 2020, NS expects to contribute approximately \$18 million to its unfunded pension plans for payments to pensioners and approximately \$37 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 2020.

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

| | <u>Pension Benefits</u> | | <u>Other Postretirement Benefits</u> |
|-------------------|-----------------------------|-----|--|
| | <i>(\$ in millions)</i> | | |
| 2020 | \$ | 144 | \$ 37 |
| 2021 | | 144 | 36 |
| 2022 | | 144 | 34 |
| 2023 | | 144 | 33 |
| 2024 | | 144 | 32 |
| Years 2025 – 2029 | | 719 | 148 |

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 \$31 million in 2019 and \$35 million in 2018.

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 \$22 million in 2019 and \$23 million in 2018.

15. 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.

In 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. In 2012, the court certified the case as a class action. The defendant railroads appealed this certification, and the Court of Appeals for the District of Columbia vacated the District Court's decision and remanded the case for further consideration. On October 10, 2017, the District Court denied class certification. The decision was upheld by the Court of Appeals on August 16, 2019. Since that decision, various individual cases have been filed in multiple jurisdictions. We believe the allegations in the complaints are without merit and intend to vigorously defend the cases. We do not believe the outcome of these proceedings will have a material effect on our financial position, results of operations, or liquidity.

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 personal injury and occupational claims are subject to FELA, which is applicable only to railroads. FELA's fault-based tort 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

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

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 reasonably 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 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 liability. We adjust the liability quarterly based upon our assessment and the results of the study. Our estimate of the liability is subject to inherent limitation given the difficulty of predicting future events such as jury decisions, court interpretations, or legislative changes. As a result, actual claim settlements may vary from the estimated liability recorded.

Occupational claims – Occupational claims include injuries and illnesses alleged to be caused by exposures which occur over time as opposed to injuries or illnesses caused by a specific accident or event. Types of occupational claims commonly seen allege exposure to asbestos and other claimed toxic substances resulting in respiratory diseases or cancer. 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. 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, 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 the number and timing of incidents, amount of payments, settlement rates, number of open claims, and legal defenses. 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 reasonably estimable. Environmental specialists regularly participate in ongoing evaluations of all known sites and in determining any necessary adjustments to liability estimates.

Our Comparative Statement of Financial Position includes liabilities for environmental exposures of \$56 million at December 31, 2019, and \$55 million at December 31, 2018, of which \$15 million is classified as a current liability at the end of both 2019 and 2018. At December 31, 2019, the liability represents our estimates of the probable cleanup, investigation, and remediation costs based on available information at 110 known locations and projects compared with 114 locations and projects at December 31, 2018. At December 31, 2019, sixteen sites accounted for \$40 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 eleven 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 Environmental Protection Agency or comparable state authorities), estimates of our ultimate potential financial exposure for a given site or in the aggregate for all such sites can change over time 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 we transport, particularly those classified as hazardous materials, pose special risks that we work diligently to reduce. 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.

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

Insurance

We obtain on behalf of ourselves and our subsidiaries insurance for potential losses for third-party liability and first-party property damages. With limited exceptions, we are currently insured above \$75 million and below \$1.1 billion (\$1.5 billion for specific perils) per occurrence and/or policy year for bodily injury and property damage to third parties and above \$25 million and below \$200 million per occurrence and/or policy year for property owned by us or in our care, custody, or control.

Purchase Commitments

At December 31, 2019, we had outstanding purchase commitments totaling approximately \$1.2 billion for locomotives, track material, long-term service contracts, track and yard expansion projects in connection with our capital programs as well as freight cars and containers through 2024.

Change-In-Control Arrangements

We have compensation agreements with certain officers and key employees that become operative only upon a change in control of Norfolk Southern, 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.

Indemnifications

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 or 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.

16. Freight Rates

In 2019, 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.

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

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 66, column (b)

= Line 67, column (b)

= Line 68, column (b)

Schedule 410

= Line 620, column (h)

= Line 620, column (f)

= Line 620, column (g)

| Line No. | Cross Check | Item (a) | Amount for current year (b) | Amount for preceding year (c) | Freight-related revenue & expenses (d) | Passenger-related revenue & expenses (e) | Line No. |
|----------|-------------|---|--------------------------------|----------------------------------|---|---|-----------|
| | | ORDINARY ITEMS | | | | | |
| | | OPERATING INCOME | | | | | |
| | | Railway Operating Income | | | | | |
| 1 | | (101) Freight | 10,861,139 | 11,066,135 | 10,861,139 | | 1 |
| 2 | | (102) Passenger | | | | | 2 |
| 3 | | (103) Passenger-Related | | | | | 3 |
| 4 | | (104) Switching | 65,532 | 55,901 | 65,532 | | 4 |
| 5 | | (105) Water Transfers | | | | | 5 |
| 6 | | (106) Demurrage | 281,332 | 243,621 | 281,332 | | 6 |
| 7 | | (110) Incidental | 88,061 | 92,056 | 88,061 | | 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) | 11,296,064 | 11,457,713 | 11,296,064 | | 10 |
| 11 | | (502) Railway operating revenues-Transfers from Government Authorities for current operations | | | | | 11 |
| 12 | | (503) Railway operating revenues-Amortization of deferred transfers from Government Authorities | | | | | 12 |
| 13 | | TOTAL RAILWAY OPERATING REVENUES (lines 10-12) | 11,296,064 | 11,457,713 | 11,296,064 | | 13 |
| 14 | * | (531) Railway operating expenses | 7,779,013 | 8,063,981 | 7,779,013 | | 14 |
| 15 | * | Net revenue from railway operations | 3,517,051 | 3,393,732 | 3,517,051 | | 15 |
| | | OTHER INCOME | | | | | |
| 16 | | (506) Revenue from property used in other than carrier operations | 4,698 | 6,138 | | | 16 |
| 17 | | (510) Miscellaneous rent income | 88,361 | 82,679 | | | 17 |
| 18 | | (512) Separately operated properties-Profit | | | | | 18 |
| 19 | | (513) Dividend Income (cost method) | | | | | 19 |
| 20 | | (514) Interest Income | 377,343 | 309,423 | | | 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 | 62,282 | 155,921 | | | 24 |
| | | Income from affiliated companies: 519 | | | | | |
| 25 | | a. Dividends (equity method) | | | | | 25 |
| 26 | | b. Equity in undistributed earnings (losses) | 6 | 6 | | | 26 |
| 27 | | TOTAL OTHER INCOME (lines 16-26) | 532,690 | 554,167 | | | 27 |
| 28 | | TOTAL INCOME (lines 15, 27) | 4,049,741 | 3,947,899 | | | 28 |
| | | MISCELLANEOUS DEDUCTIONS FROM INCOME | | | | | |
| 29 | | (534) Expenses of property used in other than carrier operations | 23,456 | 22,184 | | | 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 | (28,443) | (28,316) | | | 34 |
| 35 | | (553) Uncollectible accounts | | | | | 35 |
| 36 | | TOTAL MISCELLANEOUS DEDUCTIONS (lines 29-35) | (4,987) | (6,132) | | | 36 |
| 37 | | Income available for fixed charges (lines 28, 36) | 4,054,728 | 3,954,031 | | | 37 |

| 210. RESULTS OF OPERATIONS - Continued | | | | | |
|---|-------------|---|--------------------------------|----------------------------------|----------|
| (Dollars in Thousands) | | | | | |
| Line No. | Cross Check | Item (a) | Amount for current year (b) | Amount for preceding year (c) | Line No. |
| | | FIXED CHARGES | | | |
| | | (546) Interest on funded debt: | | | |
| 38 | | (a) Fixed interest not in default | 335,125 | 269,029 | 38 |
| 39 | | (b) Interest in default | | | 39 |
| 40 | | (547) Interest on unfunded debt | 58,110 | 54,977 | 40 |
| 41 | | (548) Amortization of discount on funded debt | | | 41 |
| 42 | | TOTAL FIXED CHARGES (lines 38-41) | 393,235 | 324,006 | 42 |
| 43 | | Income after fixed charges (line 37 minus line 42) | 3,661,493 | 3,630,025 | 43 |
| | | OTHER DEDUCTIONS | | | |
| | | (546) Interest on funded debt: | | | |
| 44 | | (c) Contingent interest | | | 44 |
| | | UNUSUAL OR INFREQUENT ITEMS | | | |
| 45 | | (555) Unusual or infrequent items (debit) credit | | | 45 |
| 46 | | Income (Loss) from continuing operations (before income taxes) | 3,661,493 | 3,630,025 | 46 |
| | | PROVISIONS FOR INCOME TAXES | | | |
| | | (556) Income taxes on ordinary income: | | | |
| 47 | * | (a) Federal income taxes | 451,682 | 533,909 | 47 |
| 48 | * | (b) State income taxes | 82,309 | 124,360 | 48 |
| 49 | * | (c) Other income taxes | | | 49 |
| 50 | * | (557) Provision for deferred taxes | 309,765 | 199,088 | 50 |
| 51 | | TOTAL PROVISIONS FOR INCOME TAXES (lines 47-50) | 843,756 | 857,357 | 51 |
| 52 | | Income from continuing operations (line 46 minus line 51) | 2,817,737 | 2,772,668 | 52 |
| | | DISCONTINUED OPERATIONS | | | |
| 53 | | (560) Income or loss from operations of discontinued segments (less applicable income taxes of \$) | | | 53 |
| 54 | | (562) Gain or loss on disposal of discontinued segments (less applicable income taxes of \$) | | | 54 |
| 55 | | Income before extraordinary items (lines 52+53+54) | 2,817,737 | 2,772,668 | 55 |
| | | EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES | | | |
| 56 | | (570) Extraordinary items (Net) | | | 56 |
| 57 | | (590) Income taxes on extraordinary items | | | 57 |
| 58 | | (591) Provision for deferred taxes-Extraordinary items | | | 58 |
| 59 | | TOTAL EXTRAORDINARY ITEMS (lines 56-58) | | | 59 |
| 60 | | (592) Cumulative effect of changes in accounting principles (less applicable tax of \$) | | | 60 |
| 61 | * | Net income (Loss) (lines 55+59+60) | 2,817,737 | 2,772,668 | 61 |
| 62 | | Less: Net Income attributable to noncontrolling interest | | | 62 |
| 63 | | Net Income attributable to reporting railroad | 2,817,737 | 2,772,668 | 63 |
| 64 | | Basic Earnings Per Share | 169.04 | 166.34 | 64 |
| 65 | | Diluted Earnings Per Share | 169.04 | 166.34 | 65 |
| | | RECONCILIATION OF NET RAILWAY OPERATING INCOME (NROI) | | | |
| 66 | * | Net revenues from railway operations | 3,517,051 | 3,393,732 | 66 |
| 67 | * | (556) Income taxes on ordinary income (-) | (533,991) | (658,269) | 67 |
| 68 | * | (557) Provision for deferred income taxes (-) | (309,765) | (199,088) | 68 |
| 69 | | Income from lease of road and equipment (-) | (10,234) | (10,286) | 69 |
| 70 | | Rent for leased roads and equipment (+) | 25,270 | 24,713 | 70 |
| 71 | | Net railway operating income (loss) | 2,688,331 | 2,550,802 | 71 |

Notes and Remarks For Schedules 210 and 220

Empty rectangular box for notes and remarks.

210 A. CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Dollars in Thousands)

1. This schedule applies only to entities with items of Other Comprehensive Income (OCI)

2. Entities must present comprehensive income in two separate but consecutive financial statements.

Cross-Checks

3. Entities must present reclassification adjustments and the effects of those adjustments on net income and OCI on the face of the financial statements.

Schedule 210
Line 61, col b

Schedule 210 A
= Line 1, col b

4. All contra entries should be shown in parenthesis.

| Line No. | Cross Check | Item (a) | Amount for current year (b) | Amount for preceding year (c) | Line No. |
|----------|-------------|--|------------------------------------|--------------------------------------|----------|
| 1 | | Net Income | 2,817,737 | 2,772,668 | 1 |
| 2 | | Other Comprehensive Income, net of tax: | | | |
| | | Foreign currency translation adjustments | | | 2 |
| 3 | | Unrealized gains on securities: | | | |
| | | Unrealized holding gains arising during period | (731) | 1,527 | 3 |
| 4 | | Less: reclassification adjustment for gains included in net income | | | 4 |
| | | Defined benefit pension plans: | | | |
| 5 | | Prior service cost arising during period | | | 5 |
| 6 | | Net gain (loss) arising during period | 59,403 | (135,081) | 6 |
| 7 | | Less: amortization of prior service cost included in net periodic pension cost | (15,221) | (24,925) | 7 |
| 8 | | Other | | | 8 |
| 9 | | Comprehensive Income (Loss) | 2,891,630 | 2,664,039 | 9 |
| 10 | | Less: comprehensive income attributable to noncontrolling interest | | | 10 |
| 11 | | Comprehensive Income attributable to reporting railroad (Loss) | 2,891,630 | 2,664,039 | 11 |

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 | 21,271,391 | | 1 |
| 2 | (601.5) | Prior period adjustments to beginning retained earnings | | | 2 |
| | | CREDITS | | | |
| 3 | (602) | Credit balance transferred from income | 2,817,737 | | 3 |
| 4 | (603) | Appropriations released | | | 4 |
| 5 | (606) | Other credits to retained earnings | | | 5 |
| 6 | | TOTAL | 2,817,737 | | 6 |
| | | DEBITS | | | |
| 7 | (612) | Debit balance transferred from income | | | 7 |
| 8 | (616) | Other debits to retained earnings | 3,993 | | 8 |
| 9 | (620) | Appropriations for sinking and other funds | | | 9 |
| 10 | (621) | Appropriations for other purposes | | | 10 |
| 11 | (623) | Dividends: Common stock | 10 | | 11 |
| 12 | | Preferred stock (1) | | | 12 |
| 13 | | TOTAL | 4,003 | | 13 |
| 14 | | Net increase (decrease) during year (line 6 minus line 13) | 2,813,734 | | 14 |
| 15 | | Balances at close of year (lines 1, 2 & 14) | 24,085,125 | | 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 | 24,085,125 | 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 |
| 22 | | Amount of assigned Federal income tax consequences: | | | 22 |
| | | Account 606 \$ None | | | |
| 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 by letter dated January 28, 2020.

* 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.

240. STATEMENT OF CASH FLOWS

(Dollars in Thousands)

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

CASH FLOWS FROM OPERATING ACTIVITIES

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

RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

| Line No. | Cross Check | Description (a) | Current Year (b) | Prior Year (c) | Line No. |
|----------|-------------|-----------------------------------|------------------|----------------|----------|
| 10 | | Income from continuing operations | 2,817,737 | 2,772,668 | 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 | (51,480) | (152,800) | 11 |
| 12 | | Depreciation and amortization expenses | 1,207,042 | 1,168,365 | 12 |
| 13 | | Increase (decrease) in provision for deferred income taxes | 309,765 | 199,088 | 13 |
| 14 | | Net decrease (increase) in undistributed earnings (losses) of affiliates | (48,979) | (55,004) | 14 |
| 15 | | Decrease (increase) in accounts receivable | 60,871 | (32,015) | 15 |
| 16 | | Decrease (increase) in materials and supplies, and other current assets | (47,264) | (32,865) | 16 |
| 17 | | Increase (decrease) in current liabilities other than debt | (156,723) | 96,402 | 17 |
| 18 | | Increase (decrease) in other-net | (246,233) | 58,595 | 18 |
| 19 | | Net cash provided from continuing operations (Lines 10-18) | 3,844,736 | 4,022,434 | 19 |
| 20 | | Add (subtract) cash generated (paid) by reason of discontinued operations and extraordinary items | | | 20 |
| 21 | | NET CASH PROVIDED FROM OPERATING ACTIVITIES (Lines 19 & 20) | 3,844,736 | 4,022,434 | 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 | 306,510 | 210,441 | 22 |
| 23 | | Capital expenditures | (2,021,422) | (1,949,853) | 23 |
| 24 | | Net change in temporary cash investments not qualifying as cash equivalents | | | 24 |
| 25 | | Proceeds from sale/repayment of investment and advances | 1,285 | 6,763 | 25 |
| 26 | | Purchase price of long-term investment and advances | (18,180) | (10,250) | 26 |
| 27 | | Net decrease (increase) in sinking and other special funds | | (68,564) | 27 |
| 28 | | Other-net | | | 28 |
| 29 | | NET CASH USED IN INVESTING ACTIVITIES (Lines 22-28) | (1,731,807) | (1,811,463) | 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 | 600,000 | 50,000 | 30 |
| 31 | | Principal payments of long-term debt | (602,415) | (150,186) | 31 |
| 32 | | Proceeds from issuance of capital stock | | | 32 |
| 33 | | Purchase price of acquiring treasury stock | | | 33 |
| 34 | | Cash dividends paid | | | 34 |
| 35 | | Other - net | (1,891,845) | (2,398,255) | 35 |
| 36 | | NET CASH USED IN FINANCING ACTIVITIES (Lines 30-35) | (1,894,260) | (2,498,441) | 36 |
| 37 | | NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (Lines 21, 29 & 36) | 218,669 | (287,470) | 37 |
| 38 | | Cash and cash equivalents at beginning of the year | 313,590 | 601,060 | 38 |
| 39 | | CASH AND CASH EQUIVALENTS AT END OF THE YEAR (Lines 37 & 38) | 532,259 | 313,590 | 39 |
| | | Footnotes to Schedule 240 | | | |
| | | Cash paid during the year for: | | | |
| 40 | | Interest (net of amount capitalized)* | 31,056 | 26,757 | 40 |
| 41 | | Income taxes (net)* | 543,040 | 500,957 | 41 |

*Only applies if indirect method is adopted.

NOTES AND REMARKS

245. WORKING CAPITAL

(Dollars in Thousands)

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

| Line No. | Item (a) | Source No. | Amount (b) | Line No. |
|--------------------------------------|---|--|-------------------|----------|
| CURRENT OPERATING ASSETS | | | | |
| 1 | Interline and Other Balances (705) | Schedule 200, line 5, column b | 20,248 | 1 |
| 2 | Customers (706) | Schedule 200, line 6, column b | 545,820 | 2 |
| 3 | Other (707) | Note A | 138,166 | 3 |
| 4 | TOTAL CURRENT OPERATING ASSETS | Line 1 + 2 + 3 | 704,234 | 4 |
| OPERATING REVENUE | | | | |
| 5 | Railway Operating Revenue | Schedule 210, line 13, column b | 11,296,064 | 5 |
| 6 | Rent Income | Note B | 285,530 | 6 |
| 7 | TOTAL OPERATING REVENUES | Lines 5 + 6 | 11,581,594 | 7 |
| 8 | Average Daily Operating Revenues | Line 7 ÷ 360 days | 32,171 | 8 |
| 9 | Days of Operating Revenue in Current Operating Assets | Line 4 ÷ line 8 | 22 | 9 |
| 10 | Revenue Delay Days Plus Buffer | Lines 9 + 15 days | 37 | 10 |
| CURRENT OPERATING LIABILITIES | | | | |
| 11 | Interline and Other Balances (752) | Schedule 200, line 30, column b | 1,001 | 11 |
| 12 | Audited Accounts and Wages Payable (753) | Note A | 33,489 | 12 |
| 13 | Accounts Payable-Other (754) | Note A | 18,872 | 13 |
| 14 | Other Taxes Accrued (761.5) | Note A | 216,093 | 14 |
| 15 | TOTAL CURRENT OPERATING LIABILITIES | Sum of lines 11 to 14 | 269,455 | 15 |
| OPERATING EXPENSES | | | | |
| 16 | Railway Operating Expenses | Schedule 210, line 14, column b | 7,779,013 | 16 |
| 17 | Depreciation | Schedule 410, lines 136, 137, 138, 213, 232, 317, column h | 1,205,062 | 17 |
| 18 | Cash Related Operating Expenses | Line 16 + line 6 - line 17 | 6,859,481 | 18 |
| 19 | Average Daily Expenditures | Line 18 ÷ 360 days | 19,054 | 19 |
| 20 | Days of Operating Expenses in Current Operating Liabilities | Line 15 ÷ line 19 | 14 | 20 |
| 21 | Days of Working Capital Required | Line 10 - line 20 (Note C) | 23 | 21 |
| 22 | Cash Working Capital Required | Line 21 x line 19 | 438,242 | 22 |
| 23 | Cash and Temporary Cash Balance | Schedule 200, line 1 + line 2, column b | 532,259 | 23 |
| 24 | Cash Working Capital Allowed | Lesser line 22 and line 23 | 438,242 | 24 |
| MATERIALS AND SUPPLIES | | | | |
| 25 | Total Material and Supplies (712) | Note A | 242,920 | 25 |
| 26 | Scrap and Obsolete Material included in Acct. 712 | Note A | | 26 |
| 27 | Materials and Supplies held for Common Carrier Purposes | Line 25 - line 26 | 242,920 | 27 |
| 28 | TOTAL WORKING CAPITAL | Line 24 + line 27 | 681,162 | 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 25, classifying the investments by means of letters, figures, and symbols in columns (a), (b) and (c).
3. Indicate by means of an arbitrary mark in column (d) the obligation in support of which any security is pledged, mortgaged, or otherwise encumbered. Give names and other important particulars of such obligations in footnotes.
4. Give totals for each class and for each subclass and a grand total for each account.
5. Entries in column (d) should show date of maturity of bonds and other evidences of indebtedness. In case obligations of the same designation mature serially, the date in column (d) may be reported as "Serially ____ to ____." Abbreviations in common use in standard financial publications may be used to conserve space.

| Line No. | Account No. | Class No. | Kind of industry | Name of issuing company and also lien reference, if any (include rate for preferred stocks and bonds) (d) | Extent of Control (e) | Line No. |
|----------|-------------|-----------|------------------|---|------------------------------|----------|
| | (a) | (b) | (c) | | | |
| 1 | 721 | A-1 | VII | Augusta & Summerville RR Co. (1) | 50.00 | 1 |
| 2 | | | | Beaver Street Tower Co. (2) | 25.00 | 2 |
| 3 | | | | The Belt Railway Company of Chicago (3) | 25.00 | 3 |
| 4 | | | | Central Transfer Rwy. and Storage Co. (4) | 50.00 | 4 |
| 5 | | | | Chatham Terminal Co. (5) | 50.00 | 5 |
| 6 | | | | Kansas City Terminal Rwy. Co. (6) | 8.33 | 6 |
| 7 | | | | Meridian Speedway, LLC (7) | 30.00 | 7 |
| 8 | | | | North Charleston Terminal Co. (8) | 33.33 | 8 |
| 9 | | | | Pan Am Southern, LLC (9) | 50.00 | 9 |
| 10 | | | | Peoria and Pekin Union Rwy. Co. (10) | 40.64 | 10 |
| 11 | | | | Terminal Railroad Association of St. Louis (11) | 14.29 | 11 |
| 12 | | | | TTX Company (12) | 19.65 | 12 |
| 13 | | | | Winston-Salem Southbound Rwy. Co. (13) | 50.00 | 13 |
| 14 | | | | Woodstock and Blocton Rwy. Co. (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 | MeteorComm, LLC (15) | 25.00 | 22 |
| 23 | | | | PTC 220, LLC (16) | 14.29 | 23 |
| 24 | | | | The Roanoke Valley Development Co. (17) | 45.44 | 24 |
| 25 | | | | | | 25 |
| 26 | | | | Total A-3 | | 26 |
| 27 | | | | | | 27 |
| 28 | | | | | | 28 |
| 29 | | | | | | 29 |
| 30 | | | | | | 30 |
| 31 | | | | | | 31 |
| 32 | | | | | | 32 |
| 33 | | | | | | 33 |
| 34 | | | | | | 34 |
| 35 | | | | | | 35 |
| 36 | | | | | | 36 |
| 37 | | | | | | 37 |
| 38 | | | | | | 38 |

NOTES AND REMARKS

- | | |
|---|--|
| (1) CSX Transp., Inc. owns 50% | (6) Controlled jointly - Other RRs own 91.67% |
| (2) CSX Transp., Inc. owns 50% and FEC owns 25% | (7) KCS owns 70% |
| (3) Controlled jointly - Other RRs own 75% | (8) CSX Transp., Inc. owns 66.67% |
| (4) CSX Transp., Inc. owns 50% | (9) Boston & Maine Co. owns 50% |
| (5) CSX Transp., Inc. owns 50% | (10) Controlled jointly - Other RRs own 59.36% |

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 | 28 | | | 28 | | | | 1 |
| 2 | | | | | | | | 2 |
| 3 | 173 | | | 173 | | 20 | | 3 |
| 4 | 19 | | | 19 | | | | 4 |
| 5 | 19 | | | 19 | | | | 5 |
| 6 | | | | | | | | 6 |
| 7 | 304,408 | | | 304,408 | | | | 7 |
| 8 | 35 | | | 35 | | | | 8 |
| 9 | 151,294 | | | 151,294 | | | | 9 |
| 10 | 157 | | | 157 | | | | 10 |
| 11 | 330 | | | 330 | | | | 11 |
| 12 | 309 | | | 309 | | | | 12 |
| 13 | 1,323 | | | 1,323 | | | | 13 |
| 14 | 120 | | | 120 | | | | 14 |
| 15 | | | | | | | | 15 |
| 16 | 458,215 | | | 458,215 | | 20 | | 16 |
| 17 | | | | | | | | 17 |
| 18 | | | | | | | | 18 |
| 19 | | | | | | | | 19 |
| 20 | | | | | | | | 20 |
| 21 | | | | | | | | 21 |
| 22 | 87,650 | 9,000 | | 96,650 | | | | 22 |
| 23 | 10,594 | 7,380 | | 17,974 | | | | 23 |
| 24 | 200 | | | 200 | | | | 24 |
| 25 | | | | | | | | 25 |
| 26 | 98,444 | 16,380 | | 114,824 | | | | 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) Controlled jointly - Other RRs own 85.71%
- (12) Controlled jointly - Other RRs own 80.35%
- (13) CSX Transp., Inc. owns 50%
- (14) CSX Transp., Inc. owns 50%

- (15) Controlled jointly - Other RRs own 75%
- (16) Controlled jointly - Other RRs own 85.71%
- (17) 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 | Beaver St. Tower Co. | | 1 |
| 2 | | | | Central Transfer Rwy. & Storage Co. | | 2 |
| 3 | | | | Chatham Terminal Co. | | 3 |
| 4 | | | | Kansas City Terminal Rwy. Co. | | 4 |
| 5 | | | | North Charleston Terminal Co. | | 5 |
| 6 | | | | Terminal Railroad Association of St. Louis | | 6 |
| 7 | | | | Woodstock & Blocton Rwy. Co. | | 7 |
| 8 | | | | | | 8 |
| 9 | | | | | | 9 |
| 10 | | | | | | 10 |
| 11 | | | | Total E-1 | | 11 |
| 12 | | | | | | 12 |
| 13 | | E-3 | X | Norfolk Southern Corporation | | 13 |
| 14 | | | VI | Southern Region Industrial Realty, Inc. | | 14 |
| 15 | | | | | | 15 |
| 16 | | | | Total E-3 | | 16 |
| 17 | | | | | | 17 |
| 18 | | | | | | 18 |
| 19 | | | | | | 19 |
| 20 | | | | | | 20 |
| 21 | | | | | | 21 |
| 22 | | | | | | 22 |
| 23 | | | | | | 23 |
| 24 | | | | Total 721 | | 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 |

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 | 5 | | | 5 | | | | 1 |
| 2 | 25 | | | 25 | | | | 2 |
| 3 | 5 | | | 5 | | | | 3 |
| 4 | 3,133 | | | 3,133 | | | | 4 |
| 5 | 224 | | | 224 | | | | 5 |
| 6 | 170 | | | 170 | | | | 6 |
| 7 | 10 | | | 10 | | | | 7 |
| 8 | | | | | | | | 8 |
| 9 | | | | | | | | 9 |
| 10 | | | | | | | | 10 |
| 11 | 3,572 | | | 3,572 | | | | 11 |
| 12 | | | | | | | | 12 |
| 13 | 39,731 | | | 39,731 | | | | 13 |
| 14 | 383 | | | 383 | | | | 14 |
| 15 | | | | | | | | 15 |
| 16 | 40,114 | | | 40,114 | | | | 16 |
| 17 | | | | | | | | 17 |
| 18 | | | | | | | | 18 |
| 19 | | | | | | | | 19 |
| 20 | 600,345 | 16,380 | | 616,725 | | 20 | | 20 |
| 21 | | | | | | | | 21 |
| 22 | | | | (20) | 721.5 Total | | | 22 |
| 23 | | | | 683,121 | Sch. 310A Total | | | 23 |
| 24 | | | | 1,299,826 | | | | 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 |

NOTES AND REMARKS

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 | The Belt Railway Company of Chicago | 24,007 | | 3,001 | | | 27,008 | 2 |
| 3 | Central Transfer Rwy. and Storage Co. | 16 | | | | | 16 | 3 |
| 4 | Meridian Speedway, LLC | (33,337) | | (399) | | | (33,736) | 4 |
| 5 | Pan Am Southern, LLC | 3,797 | | (1,006) | | | 2,791 | 5 |
| 6 | Peoria and Pekin Union Rwy. Co. | (456) | | 11 | | | (445) | 6 |
| 7 | TTX Company | 691,349 | | 57,220 | | | 748,569 | 7 |
| 8 | Winston-Salem Southbound Rwy. Co. | 9,673 | | (831) | | | 8,842 | 8 |
| 9 | Woodstock and Blocton Rwy. Co. | 2 | (6) | 6 | | | 2 | 9 |
| 10 | | | | | | | | 10 |
| 11 | Total Carriers | 695,107 | (6) | 58,002 | | | 753,103 | 11 |
| 12 | | | | | | | | 12 |
| 13 | Noncarriers (List specifics for each company) | | | | | | | 13 |
| 14 | Meteorcomm, LLC | (58,325) | | (7,786) | | | (66,111) | 14 |
| 15 | PTC 220, LLC | (4,029) | | (1,023) | | | (5,052) | 15 |
| 16 | The Roanoke Valley Development Co. | 1,181 | | | | | 1,181 | 16 |
| 17 | | | | | | | | 17 |
| 18 | Total Noncarriers | (61,173) | | (8,809) | | | (69,982) | 18 |
| 19 | | | | | | | | 19 |
| 20 | Total Equity* | 633,934 | (6) | 49,193 | | | 683,121 | 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) is \$6. 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 \$49,918 and adjustments to Other Comprehensive Loss and retained earnings equals \$731.

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 330

1. Give particulars of balances at the beginning and close of the year and of all changes during the year in Account No. 731, "Road and Equipment Property," and Account No. 732, "Improvements on Leased Property," classified by primary accounts in accordance with the Uniform System of Accounts for Railroad Companies. The balances, by primary accounts, should insofar as known, be stated in column (b) and all changes made during the year should be analyzed in columns (c) to (f), inclusive. Column (g) should be the net of amounts in column (c) through (f). Column (h) is the aggregate of columns (b) to (f), inclusive. Grand totals of columns (b) and (h) should equal the sum of Accounts 731 and 732 for the respective periods; if not, full explanation should be made in a footnote.
2. In column (c) show 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) show 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. Columns (c) and (e) should include all entries covering expenditures for additions and betterments, as defined, whether or not replacing other property.
5. All credits representing property sold, abandoned, or otherwise retired should be shown in column (f).
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 the cost, location, area, and other details which will identify the property in a footnote.
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 \$5,000 is used as the minimum for additions and betterments to property investment accounts as provided for in Instruction 2-2 of the Uniform System of Accounts for Railroad Companies, state in a footnote the amount used.

NOTES AND REMARKS

(Dollars in Thousands)

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

| | |
|----------------|---|
| 844,343 | Schedule 410, Lines 136 - 138, Column (h) |
| 5,521 | Shop Machinery Schedule 335, Line 26, column(c) |
| <u>14,589</u> | Depreciation capitalized |
| <u>864,453</u> | Total |
| | |
| 835,465 | Schedule 335, Line 30, Column (c) |
| <u>28,988</u> | Schedule 342, Line 29, Column (c) |
| <u>864,453</u> | Total |

Equipment (Column (c))

| | |
|----------------|--|
| 360,719 | Schedule 410, Sum of lines 213,232,317, Column (h) |
| <u>(5,521)</u> | Shop Machinery |
| <u>355,198</u> | Total |
| | |
| 355,198 | Schedule 335, Line 40, Column (c) |
| <u>-</u> | Schedule 342, Line 38, Column (c) |
| <u>355,198</u> | |

Schedule 342 (Column (c))

| | |
|---------------|-----------------------|
| 28,988 | Road |
| <u>-</u> | Equipment |
| <u>28,988</u> | Schedule 342, Line 39 |

Reconciliation of Accumulated Depreciation and Amortization to Schedule 200

| | |
|-------------------|-----------------------------------|
| 12,106,978 | Schedule 335, Line 41, Column (g) |
| <u>304,357</u> | Schedule 342, Line 39, Column (g) |
| <u>12,411,335</u> | |
| | |
| <u>12,411,335</u> | Schedule 200, Line 26, 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 | 2,224,468 | | | 1 |
| 2 | | (3) Grading | 3,228,513 | | | 2 |
| 3 | | (4) Other, right-of-way expenditures | 19,118 | | | 3 |
| 4 | | (5) Tunnels and subways | 407,061 | | | 4 |
| 5 | | (6) Bridges, trestles, and culverts | 2,985,995 | | | 5 |
| 6 | | (7) Elevated structures | 42,583 | | | 6 |
| 7 | | (8) Ties | 5,300,586 | | | 7 |
| 8 | | (9) Rail and other track material | 6,887,955 | | | 8 |
| 9 | | (11) Ballast | 2,759,548 | | | 9 |
| 10 | | (13) Fences, snow sheds, and signs | 7,692 | | | 10 |
| 11 | | (16) Station and office buildings | 853,952 | | | 11 |
| 12 | | (17) Roadway buildings | 53,492 | | | 12 |
| 13 | | (18) Water stations | | | | 13 |
| 14 | | (19) Fuel stations | 120,289 | | | 14 |
| 15 | | (20) Shops and enginehouses | 574,762 | | | 15 |
| 16 | | (22) Storage warehouses | 871 | | | 16 |
| 17 | | (23) Wharves and docks | 5,846 | | | 17 |
| 18 | | (24) Coal and ore wharves | 250,276 | | | 18 |
| 19 | | (25) TOFC/COFC terminals | 907,240 | | | 19 |
| 20 | | (26) Communications systems | 670,936 | | | 20 |
| 21 | | (27) Signals and interlocker | 2,474,005 | | | 21 |
| 22 | | (29) Power plants | 2,775 | | | 22 |
| 23 | | (31) Power-transmissions systems | 43,092 | | | 23 |
| 24 | | (35) Miscellaneous structures | 14,396 | | | 24 |
| 25 | | (37) Roadway machines | 767,017 | | | 25 |
| 26 | | (39) Public improvements-Construction | 427,024 | | | 26 |
| 27 | | (44) Shop machinery | 199,208 | | | 27 |
| 28 | | (45) Power-plant machinery | 15,361 | | | 28 |
| 29 | | Other (specify and explain) | | | | 29 |
| 30 | | TOTAL EXPENDITURES FOR ROAD | 31,244,061 | | | 30 |
| 31 | | (52) Locomotives | 5,870,224 | | | 31 |
| 32 | | (53) Freight-train cars | 3,183,042 | | | 32 |
| 33 | | (54) Passenger-train cars | | | | 33 |
| 34 | | (55) Highway revenue equipment | 575,352 | | | 34 |
| 35 | | (56) Floating equipment | | | | 35 |
| 36 | | (57) Work equipment | 240,121 | | | 36 |
| 37 | | (58) Miscellaneous equipment | 255,306 | | | 37 |
| 38 | | (59) Computer systems and word processing equip | 622,845 | | | 38 |
| 39 | | TOTAL EQUIPMENT | 10,746,890 | | | 39 |
| 40 | | (76) Interest during construction | | | | 40 |
| 41 | | (80) Other elements of investment | | | | 41 |
| 42 | | (90) Construction in progress | 884,592 | | | 42 |
| 43 | | GRAND TOTAL | 42,875,543 | | | 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 | | 61,531 | 10,217 | 51,314 | 2,275,782 | 1 |
| 2 | | 34,645 | 2,568 | 32,077 | 3,260,590 | 2 |
| 3 | | 1,050 | | 1,050 | 20,168 | 3 |
| 4 | | 5,494 | 70 | 5,424 | 412,485 | 4 |
| 5 | | 69,276 | 20,628 | 48,648 | 3,034,643 | 5 |
| 6 | | | | | 42,583 | 6 |
| 7 | | 321,410 | 132,130 | 189,280 | 5,489,866 | 7 |
| 8 | | 320,270 | 184,547 | 135,723 | 7,023,678 | 8 |
| 9 | | 138,956 | 30,516 | 108,440 | 2,867,988 | 9 |
| 10 | | 1,944 | 103 | 1,841 | 9,533 | 10 |
| 11 | | 67,757 | 162,063 | (94,306) | 759,646 | 11 |
| 12 | | 214 | 3,008 | (2,794) | 50,698 | 12 |
| 13 | | | | | | 13 |
| 14 | | 7,228 | 1,703 | 5,525 | 125,814 | 14 |
| 15 | | 29,853 | 473 | 29,380 | 604,142 | 15 |
| 16 | | | | | 871 | 16 |
| 17 | | 5,958 | 4,867 | 1,091 | 6,937 | 17 |
| 18 | | 2,688 | (3,867) | 6,555 | 256,831 | 18 |
| 19 | | 55,969 | 20,117 | 35,852 | 943,092 | 19 |
| 20 | | 16,567 | 30,990 | (14,423) | 656,513 | 20 |
| 21 | | 159,329 | 65,812 | 93,517 | 2,567,522 | 21 |
| 22 | | | 71 | (71) | 2,704 | 22 |
| 23 | | 4,512 | 662 | 3,850 | 46,942 | 23 |
| 24 | | 22 | 45 | (23) | 14,373 | 24 |
| 25 | | 87,282 | 38,304 | 48,978 | 815,995 | 25 |
| 26 | | 34,056 | 48,274 | (14,218) | 412,806 | 26 |
| 27 | | 7,770 | 5,565 | 2,205 | 201,413 | 27 |
| 28 | | | 325 | (325) | 15,036 | 28 |
| 29 | | | | | | 29 |
| 30 | | 1,433,781 | 759,191 | 674,590 | 31,918,651 | 30 |
| 31 | | 479,739 | 376,679 | 103,060 | 5,973,284 | 31 |
| 32 | | 74,364 | 269,645 | (195,281) | 2,987,761 | 32 |
| 33 | | | | | | 33 |
| 34 | | 25,287 | | 25,287 | 600,639 | 34 |
| 35 | | | | | | 35 |
| 36 | | 4,311 | 21,852 | (17,541) | 222,580 | 36 |
| 37 | | 37,572 | 33,571 | 4,001 | 259,307 | 37 |
| 38 | | 178,009 | 68,820 | 109,189 | 732,034 | 38 |
| 39 | | 799,282 | 770,567 | 28,715 | 10,775,605 | 39 |
| 40 | | | | | | 40 |
| 41 | | | | | | 41 |
| 42 | | (230,849) | (2,635) | (228,214) | 656,378 | 42 |
| 43 | | 2,002,214 | 1,527,123 | 475,091 | 43,350,634 | 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) | | |
| | ROAD | | | | | | | |
| 1 | (3) Grading | 3,159,186 | 3,166,071 | 1.84% | | | 1 | |
| 2 | (4) Other, right-of-way expenditures | 18,573 | 19,623 | 1.00% | | | 2 | |
| 3 | (5) Tunnels and subways | 406,752 | 411,628 | 1.11% | | | 3 | |
| 4 | (6) Bridges, trestles, and culverts | 2,936,019 | 2,981,772 | 1.63% | | | 4 | |
| 5 | (7) Elevated structures | 42,583 | 42,583 | 7.92% | | | 5 | |
| 6 | (8) Ties | 5,059,236 | 5,210,234 | 4.78% | | | 6 | |
| 7 | (9) Rail and other track material | 6,336,552 | 6,439,905 | 2.38% | | | 7 | |
| 8 | (11) Ballast | 2,606,683 | 2,691,598 | 2.76% | | | 8 | |
| 9 | (13) Fences, snow sheds, and signs | 7,466 | 9,307 | 1.16% | | | 9 | |
| 10 | (16) Station and office buildings | 804,724 | 703,449 | 2.10% | | | 10 | |
| 11 | (17) Roadway buildings | 53,289 | 50,495 | 2.11% | | | 11 | |
| 12 | (18) Water stations | | | | | | 12 | |
| 13 | (19) Fuel stations | 119,874 | 124,775 | 3.03% | | | 13 | |
| 14 | (20) Shops and enginehouses | 565,879 | 590,635 | 1.92% | NOT APPLICABLE - 5 % RULE | | | 14 |
| 15 | (22) Storage warehouses | 871 | 871 | 2.50% | | | 15 | |
| 16 | (23) Wharves and docks | 5,846 | 6,937 | 3.33% | | | 16 | |
| 17 | (24) Coal and ore wharves | 250,276 | 255,722 | 3.09% | | | 17 | |
| 18 | (25) TOFC/COFC terminals | 904,238 | 923,533 | 3.02% | | | 18 | |
| 19 | (26) Communications systems | 657,877 | 640,837 | 4.18% | | | 19 | |
| 20 | (27) Signals and interlocker | 2,377,293 | 2,443,278 | 3.72% | | | 20 | |
| 21 | (29) Power plants | 2,771 | 2,700 | 2.91% | | | 21 | |
| 22 | (31) Power-transmissions systems | 42,618 | 46,450 | 2.28% | | | 22 | |
| 23 | (35) Miscellaneous structures | 13,827 | 13,805 | 2.26% | | | 23 | |
| 24 | (37) Roadway machines | 767,017 | 806,830 | 5.03% | | | 24 | |
| 25 | (39) Public improvements-Construction | 414,988 | 400,659 | 7.42% | | | 25 | |
| 26 | (44) Shop machinery | 199,208 | 201,238 | 3.32% | | | 26 | |
| 27 | (45) Power-plant machinery | 15,360 | 15,035 | 2.08% | | | 27 | |
| 28 | All other road accounts | | | | | | 28 | |
| 29 | Amortization (Adjustments) | | | | | | 29 | |
| 30 | TOTAL ROAD | 27,769,006 | 28,199,970 | 3.03% | | | 30 | |
| | EQUIPMENT | | | | | | | |
| 31 | (52) Locomotives | 5,870,224 | 6,011,695 | 3.71% | | | 31 | |
| 32 | (53) Freight-train cars | 3,177,672 | 2,995,924 | 2.64% | | | 32 | |
| 33 | (54) Passenger-train cars | | | | | | 33 | |
| 34 | (55) Highway revenue equipment | 566,515 | 600,638 | 4.62% | | | 34 | |
| 35 | (56) Floating equipment | | | | | | 35 | |
| 36 | (57) Work equipment | 240,121 | 222,913 | 2.00% | | | 36 | |
| 37 | (58) Miscellaneous equipment | 255,306 | 265,810 | 7.63% | | | 37 | |
| 38 | (59) Computer systems and word processing equipment | 619,363 | 724,646 | 9.03% | | | 38 | |
| 39 | TOTAL EQUIPMENT | 10,729,201 | 10,821,626 | 3.90% | | | 39 | |
| 40 | GRAND TOTAL | 38,498,207 | 39,021,596 | 3.27% | | | 40 | |

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) | | |
| | | ROAD | | | | | | | |
| 1 | | (3) Grading | 1,026,625 | 50,393 | | 3,351 | | 1,073,667 | 1 |
| 2 | | (4) Other, right-of-way expenditures | 2,941 | 184 | | | | 3,125 | 2 |
| 3 | | (5) Tunnels and subways | 73,843 | 4,432 | | 70 | | 78,205 | 3 |
| 4 | | (6) Bridges, trestles, and culverts | 598,728 | 46,331 | | 19,769 | | 625,290 | 4 |
| 5 | | (7) Elevated structures | 41,949 | 22 | | | | 41,971 | 5 |
| 6 | | (8) Ties | 1,835,368 | 246,730 | | 164,563 | | 1,917,535 | 6 |
| 7 | | (9) Rail and other track material | 1,843,156 | 134,350 | | 187,496 | | 1,790,010 | 7 |
| 8 | | (11) Ballast | 622,956 | 74,275 | | 27,836 | | 669,395 | 8 |
| 9 | | (13) Fences, snow sheds, and signs | 4,302 | 73 | | 102 | | 4,273 | 9 |
| 10 | | (16) Station and office buildings | 283,896 | 12,513 | | 92,210 | | 204,199 | 10 |
| 11 | | (17) Roadway buildings | 35,320 | 722 | | 1,583 | | 34,459 | 11 |
| 12 | | (18) Water stations | | | | | | | 12 |
| 13 | | (19) Fuel stations | 37,277 | 3,649 | | 1,703 | | 39,223 | 13 |
| 14 | | (20) Shops and enginehouses | 153,183 | 10,959 | | 10,818 | | 153,324 | 14 |
| 15 | | (22) Storage warehouses | 972 | (5) | | | | 967 | 15 |
| 16 | | (23) Wharves and docks | 2,374 | 224 | | 41 | | 2,557 | 16 |
| 17 | | (24) Coal and ore wharves | 124,150 | 7,755 | | 959 | | 130,946 | 17 |
| 18 | | (25) TOFC/COFC terminals | 273,516 | 26,537 | | 20,116 | | 279,937 | 18 |
| 19 | | (26) Communications systems | 336,903 | 23,118 | | 30,536 | | 329,485 | 19 |
| 20 | | (27) Signals and interlocker | 237,359 | 98,198 | | 63,522 | | 272,035 | 20 |
| 21 | | (29) Power plants | 2,640 | 15 | | 71 | | 2,584 | 21 |
| 22 | | (31) Power-transmissions systems | 19,917 | 819 | | 663 | | 20,073 | 22 |
| 23 | | (35) Miscellaneous structures | 10,522 | 149 | | 46 | | 10,625 | 23 |
| 24 | | (37) Roadway machines | 271,333 | 37,515 | | 36,274 | | 272,574 | 24 |
| 25 | | (39) Public improvements-Construction | 54,768 | 50,780 | | 48,245 | | 57,303 | 25 |
| 26 | | (44) Shop machinery* | 79,353 | 5,521 | | 5,579 | | 79,295 | 26 |
| 27 | | (45) Power-plant machinery | 11,697 | 206 | | 306 | | 11,597 | 27 |
| 28 | | All other road accounts | | | | | | | 28 |
| 29 | | Amortization (Adjustments) | | | | | | | 29 |
| 30 | | TOTAL ROAD | 7,985,048 | 835,465 | | 715,859 | | 8,104,654 | 30 |
| | | EQUIPMENT | | | | | | | |
| 31 | * | (52) Locomotives | 2,261,351 | 202,853 | | 352,921 | | 2,111,283 | 31 |
| 32 | * | (53) Freight-train cars | 1,288,255 | 46,915 | | 187,123 | | 1,148,047 | 32 |
| 33 | * | (54) Passenger-train cars | | | | | | | 33 |
| 34 | * | (55) Highway revenue equipment | 164,837 | 27,304 | | 180 | | 191,961 | 34 |
| 35 | * | (56) Floating equipment | | | | | | | 35 |
| 36 | * | (57) Work equipment | 96,330 | 3,696 | | 17,241 | | 82,785 | 36 |
| 37 | * | (58) Miscellaneous equipment | 118,807 | 15,618 | | 21,420 | | 113,005 | 37 |
| 38 | | (59) Computer systems and WP Equip. | 365,251 | 58,812 | | 68,820 | | 355,243 | 38 |
| 39 | * | Amortization Adjustments | | | | | | | 39 |
| 40 | | TOTAL EQUIPMENT | 4,294,831 | 355,198 | | 647,705 | | 4,002,324 | 40 |
| 41 | | GRAND TOTAL | 12,279,879 | 1,190,663 | | 1,363,564 | | 12,106,978 | 41 |

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

NOTES AND REMARKS

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 in the notes and remarks section for Schedule 342. 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 in the notes and remarks section for Schedule 342.
4. Show in column (e) the debits to the reserve arising from retirements. These debits should not exceed investment, etc.
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. However, line 39, Grand Total should be completed.

| Line No. | Cross Check | Account (a) | Balance at beginning of year (b) | CREDITS TO RESERVE During the year | | DEBITS TO RESERVE During the year | | Balance at close of year (g) | Line No. | |
|----------|-------------|---------------------------------------|-------------------------------------|---------------------------------------|----------------------|--------------------------------------|---------------------|---------------------------------|----------|----|
| | | | | Charges to operating expenses (c) | Other credits (d) | Retirements (e) | Other debits (f) | | | |
| | | ROAD | | | | | | | | |
| 1 | | (3) Grading | | | | | | | 1 | |
| 2 | | (4) Other, right-of-way expenditures | | | | | | | 2 | |
| 3 | | (5) Tunnels and subways | | | | | | | 3 | |
| 4 | | (6) Bridges, trestles, and culverts | | | | | | | 4 | |
| 5 | | (7) Elevated structures | | | | | | | 5 | |
| 6 | | (8) Ties | | | | | | | 6 | |
| 7 | | (9) Rail and other track material | | | | | | | 7 | |
| 8 | | (11) Ballast | | | | | | | 8 | |
| 9 | | (13) Fences, snow sheds, and signs | | | | | | | 9 | |
| 10 | | (16) Station and office buildings | | | | | | | 10 | |
| 11 | | (17) Roadway buildings | | | | | | | 11 | |
| 12 | | (18) Water stations | | | | | | | 12 | |
| 13 | | (19) Fuel stations | | NOT APPLICABLE - 5 % RULE | | | | | | 13 |
| 14 | | (20) Shops and enginehouses | | | | | | | 14 | |
| 15 | | (22) Storage warehouses | | | | | | | 15 | |
| 16 | | (23) Wharves and docks | | | | | | | 16 | |
| 17 | | (24) Coal and ore wharves | | | | | | | 17 | |
| 18 | | (25) TOFC/COFC terminals | | | | | | | 18 | |
| 19 | | (26) Communications systems | | | | | | | 19 | |
| 20 | | (27) Signals and interlocker | | | | | | | 20 | |
| 21 | | (29) Power plants | | | | | | | 21 | |
| 22 | | (31) Power-transmissions systems | | | | | | | 22 | |
| 23 | | (35) Miscellaneous structures | | | | | | | 23 | |
| 24 | | (37) Roadway machines | | | | | | | 24 | |
| 25 | | (39) Public improvements-Construction | | | | | | | 25 | |
| 26 | | (44) Shop machinery* | | | | | | | 26 | |
| 27 | | (45) Power-plant machinery | | | | | | | 27 | |
| 28 | | All other road accounts | | | | | | | 28 | |
| 29 | | TOTAL ROAD | | | | | | | 29 | |
| | | EQUIPMENT | | | | | | | | |
| 30 | | (52) Locomotives | | | | | | | 30 | |
| 31 | | (53) Freight-train cars | | | | | | | 31 | |
| 32 | | (54) Passenger-train cars | | | | | | | 32 | |
| 33 | | (55) Highway revenue equipment | | | | | | | 33 | |
| 34 | | (56) Floating equipment | | | | | | | 34 | |
| 35 | | (57) Work equipment | | | | | | | 35 | |
| 36 | | (58) Miscellaneous equipment | | | | | | | 36 | |
| 37 | | (59) Computer systems and WP equip. | | | | | | | 37 | |
| 38 | | TOTAL EQUIPMENT | | | | | | | 38 | |
| 39 | | GRAND TOTAL | 298,588 | 28,988 | | 23,219 | | 304,357 | 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 - Operating) from 2 (Land - Non-Operating) | 139,731.39 |
| 3 (Grading) from 8 (Ties) | 413,993.06 |
| 8 (Ties) to 3 (Grading) | (413,993.06) |
| 3 (Grading) from 9 (Rail and Other Track Material) | 386,066.70 |
| 9 (Rail and Other Track Material) to 3 (Grading) | (386,066.70) |
| 9 (Rail and Other Track Material) from 8 (Ties) | 181,246.00 |
| 8 (Ties) to 9 (Rail and Other Track Material) | (181,246.00) |
| 16 (Station and Office Buildings) from 17 (Roadway Buildings) | 1,476,022.39 |
| 17 (Roadway Buildings) to 16 (Station and Office Buildings) | (1,476,022.39) |
| 20 (Shops and Enginehouses) from 16 (Station and Office Buildings) | 10,583,897.99 |
| 16 (Station and Office Buildings) to 20 (Shops and Enginehouses) | (10,583,897.99) |
| 24 (Coal and ore wharves) from 23 (Wharves and Docks) | 4,866,936.18 |
| 23 (Wharves and Docks) to 24 (Coal and ore wharves) | (4,866,936.18) |

SCHEDULE 332

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

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 | 16,425 | 43,350,634 | 12,411,335 | 1 |
| 2 | | | | | | 2 |
| 3 | L | C & EI Railroad Company | 2 | | | 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 | | 7 |
| 8 | | | | | | 8 |
| 9 | | Less Lines Leased to or Operated by Others | | | | 9 |
| 10 | R | Aberdeen Carolina Western | 104 | 13,018 | 10,843 | 10 |
| 11 | R | Aiken Railway Company | 19 | 3,265 | 1,498 | 11 |
| 12 | R | Ann Arbor Railroad Inc. | 4 | 3,857 | 1,200 | 12 |
| 13 | R | Autauga Northern Railway | 44 | 17,850 | 7,412 | 13 |
| 14 | R | B&H Rail Corp. | 17 | 8,896 | 2,861 | 14 |
| 15 | R | Buckingham Branch | 61 | 16,146 | 11,462 | 15 |
| 16 | R | Buffalo & Pittsburgh Railroad | 36 | 6,204 | 2,617 | 16 |
| 17 | R | C & NC Railroad | 21 | 8,036 | 3,615 | 17 |
| 18 | R | Carolina Coastal Railway | 157 | 30,137 | 18,607 | 18 |
| 19 | R | CaterParrott Railnet | 51 | 10,501 | 8,211 | 19 |
| 20 | R | Central Railroad Company of Indianapolis | 16 | 5,428 | 1,712 | 20 |
| 21 | R | Charleston, Blue Creek & Sanderson | 17 | 3,547 | 1,218 | 21 |
| 22 | R | Cincinnati East Terminal Railway | 16 | 7,315 | 3,443 | 22 |
| 23 | R | Cleveland Commercial Railroad | 19 | 22,938 | 3,694 | 23 |
| 24 | R | Columbus & Ohio River Railroad | 1 | 799 | 170 | 24 |
| 25 | R | Columbus & Chattahoochee Railroad | 26 | 9,787 | 4,483 | 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 | Delmarva Central Railroad | 162 | 84,391 | 18,769 | 26 |
| 27 | R | Dover & Delaware River Railroad | 27 | 46,723 | 6,194 | 27 |
| 28 | R | East Chattanooga Belt Railway | 4 | 2,473 | 812 | 28 |
| 29 | R | East Penn Railroad LLC | 5 | 5,338 | 1,859 | 29 |
| 30 | R | Elkhart & Western Railroad | 23 | 7,348 | 3,210 | 30 |
| 31 | R | Georgia Southern Railway | 57 | 17,385 | 10,208 | 31 |
| 32 | R | Grand Elk Railroad LLC | 123 | 61,962 | 16,457 | 32 |
| 33 | R | Hilton & Albany Railroad | 55 | 18,392 | 8,245 | 33 |
| 34 | R | Iowa Interstate | 13 | 14,368 | 10,851 | 34 |
| 35 | R | Ithaca Central Railroad | 49 | 35,272 | 7,548 | 35 |
| 36 | R | Jackson & Lansing Railroad | 44 | 18,582 | 6,066 | 36 |
| 37 | R | KNWA | 309 | 239,298 | 62,901 | 37 |
| 38 | R | Lehigh Railway | 56 | 63,055 | 14,643 | 38 |
| 39 | R | Middletown & New Jersey Railroad LLC | 38 | 22,655 | 4,781 | 39 |
| 40 | R | North Carolina & Virginia Railroad | 77 | 12,416 | 9,511 | 40 |
| 41 | R | RSL Railroad LLC | 1 | 1,666 | 321 | 41 |
| 42 | R | R J Corman Co. | 16 | 4,594 | 2,003 | 42 |
| 43 | R | Yadkin Valley Railroad | 102 | 25,047 | 14,293 | 43 |
| 44 | | | | | | 44 |
| 45 | | | | | | 45 |
| 46 | | | | | | 46 |
| 47 | | SUB-TOTAL | 1,770 | 848,689 | 281,718 | 47 |
| 48 | | | | | | 48 |
| 49 | | | | | | 49 |
| 50 | | | | | | 50 |
| 51 | | | | | | 51 |
| 52 | | | | | | 52 |
| 53 | | | | | | 53 |
| 54 | | | | | | 54 |
| 55 | | | | | | 55 |
| 56 | | | | | | 56 |
| 57 | | | | | | 57 |
| 58 | | | | | | 58 |
| 59 | | | | | | 59 |
| 60 | | | | | | 60 |
| 61 | | | | | | 61 |
| 62 | | | | | | 62 |
| 63 | | | | | | 63 |
| 64 | | | | | | 64 |
| 65 | | | | | | 65 |
| 66 | | | | | | 66 |
| 67 | | | | | | 67 |
| 68 | | | | | | 68 |
| 69 | | | | | | 69 |
| 70 | | | | | | 70 |
| 71 | | | | | | 71 |
| 72 | | | | | | 72 |
| 73 | | | | | | 73 |
| 74 | | | | | | 74 |
| 75 | | TOTAL | 14,992 | 42,555,034 | 12,129,617 | 75 |

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352B. INVESTMENT IN RAILWAY PROPERTY USED IN TRANSPORTATION SERVICE (By Property Account)

(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 | 2,190,581 | 5,493 | | | 1 |
| 2 | | (3) Grading | 3,179,310 | 21,826 | | | 2 |
| 3 | | (4) Other, right-of-way expenditures | 20,161 | 137 | | | 3 |
| 4 | | (5) Tunnels and subways | 406,097 | 5,574 | | | 4 |
| 5 | | (6) Bridges, trestles, and culverts | 2,900,229 | 10,687 | | | 5 |
| 6 | | (7) Elevated structures | 42,583 | | | | 6 |
| 7 | | (8) Ties | 5,285,884 | 1,174 | | | 7 |
| 8 | | (9) Rail and other track material | 6,819,557 | 5,884 | | | 8 |
| 9 | | (11) Ballast | 2,771,176 | 2,156 | | | 9 |
| 10 | | (13) Fences, snow sheds, and signs | 9,521 | 181 | | | 10 |
| 11 | | (16) Station and office buildings | 758,754 | 1,288 | | | 11 |
| 12 | | (17) Roadway buildings | 50,662 | 71 | | | 12 |
| 13 | | (18) Water stations | | 24 | | | 13 |
| 14 | | (19) Fuel stations | 125,814 | 70 | | | 14 |
| 15 | | (20) Shops and enginehouses | 604,131 | 47 | | | 15 |
| 16 | | (22) Storage warehouses | 871 | | | | 16 |
| 17 | | (23) Wharves and docks | 6,937 | | | | 17 |
| 18 | | (24) Coal and ore wharves | 256,831 | | | | 18 |
| 19 | | (25) TOFC/COFC terminals | 943,092 | | | | 19 |
| 20 | | (26) Communications systems | 653,824 | 204 | | | 20 |
| 21 | | (27) Signals and interlocker | 2,558,774 | 666 | | | 21 |
| 22 | | (29) Power plants | 2,704 | | | | 22 |
| 23 | | (31) Power-transmissions systems | 46,899 | | | | 23 |
| 24 | | (35) Miscellaneous structures | 14,373 | 6 | | | 24 |
| 25 | | (37) Roadway machines | 815,995 | | | | 25 |
| 26 | | (39) Public improvements-Construction | 388,795 | 1,445 | | | 26 |
| 27 | | (44) Shop machinery* | 201,371 | 19 | | | 27 |
| 28 | | (45) Power-plant machinery | 15,036 | 8 | | | 28 |
| 29 | | Leased property capitalized rentals (explain) | | | | | 29 |
| 30 | | Other (specify and explain) Accts. 1 & 77 | | 3,658 | | | 30 |
| 31 | | TOTAL EXPENDITURES FOR ROAD | 31,069,962 | 60,618 | | | 31 |
| 32 | | (52) Locomotives | 5,973,284 | | | | 32 |
| 33 | | (53) Freight-train cars | 2,987,761 | | | | 33 |
| 34 | | (54) Passenger-train cars | | | | | 34 |
| 35 | | (55) Highway revenue equipment | 600,639 | | | | 35 |
| 36 | | (56) Floating equipment | | | | | 36 |
| 37 | | (57) Work equipment | 222,580 | | | | 37 |
| 38 | | (58) Miscellaneous equipment | 259,307 | | | | 38 |
| 39 | | (59) Computer systems and word processing equip | 732,034 | | | | 39 |
| 40 | | TOTAL EQUIPMENT | 10,775,605 | | | | 40 |
| 41 | | (76) Interest during construction | | 2,580 | | | 41 |
| 42 | | (80) Other elements of investment | | (10,109) | | | 42 |
| 43 | | (90) Construction in progress | 656,378 | | | | 43 |
| 44 | | GRAND TOTAL | 42,501,945 | 53,089 | | | 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 450

Line 4, column (b)

Schedule 210

= 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 Board'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 | 719 | 291 | 4,815 | 2,049 | 7,874 | | 7,874 | 1 |
| 2 | | Bridge and Building | 8 | 151 | 4,692 | 210 | 5,061 | | 5,061 | 2 |
| 3 | | Signal | 39 | 160 | 814 | 459 | 1,472 | | 1,472 | 3 |
| 4 | | Communication | 41 | 5 | 96 | 292 | 434 | | 434 | 4 |
| 5 | | Other | 1,348 | - | | | 1,348 | | 1,348 | 5 |
| | | TOTAL ADMINISTRATION | 2,155 | 607 | 10,417 | 3,010 | 16,189 | | 16,189 | |
| | | REPAIR AND MAINTENANCE: | | | | | | | | |
| 6 | | Roadway - Running | 13,082 | 354 | 24,184 | | 37,620 | | 37,620 | 6 |
| 7 | | Roadway - Switching | 1,031 | 3 | 581 | | 1,615 | | 1,615 | 7 |
| 8 | | Tunnels and Subways - Running | | | 499 | | 499 | | 499 | 8 |
| 9 | | Tunnels and Subways - Switching | | | 33 | | 33 | | 33 | 9 |
| 10 | | Bridges and Culverts - Running | 16,895 | 1,149 | 15,998 | 2,791 | 36,833 | | 36,833 | 10 |
| 11 | | Bridges and Culverts - Switching | 630 | 92 | 1,222 | 84 | 2,028 | | 2,028 | 11 |
| 12 | | Ties - Running | 12,695 | 2,778 | 2,743 | 1,844 | 20,060 | | 20,060 | 12 |
| 13 | | Ties - Switching | 99 | 193 | | | 292 | | 292 | 13 |
| 14 | | Rail and Other Track Material - Running | 63,860 | 5,432 | 40,147 | 10,681 | 120,120 | | 120,120 | 14 |
| 15 | | Rail and Other Track Material - Switching | 2,952 | 799 | 1,639 | 262 | 5,652 | | 5,652 | 15 |
| 16 | | Ballast - Running | 3,629 | 1,143 | 1,973 | (55) | 6,690 | | 6,690 | 16 |
| 17 | | Ballast - Switching | 219 | 72 | 120 | | 411 | | 411 | 17 |
| 18 | | Road Property Damaged - Running | 4,324 | 4,589 | 4,871 | 7 | 13,791 | | 13,791 | 18 |
| 19 | | Road Property Damaged - Switching | | | | | | | | 19 |
| 20 | | Road Property Damaged - Other | 4 | 3 | 11 | | 18 | | 18 | 20 |
| 21 | | Signals and Interlockers - Running | 33,409 | 9,364 | 8,271 | 1,820 | 52,864 | | 52,864 | 21 |
| 22 | | Signals and Interlockers - Switching | 5,231 | 80 | 12 | 14 | 5,337 | | 5,337 | 22 |
| 23 | | Communications Systems | 1,230 | 1,786 | 9,023 | 11 | 12,050 | | 12,050 | 23 |
| 24 | | Power Systems | 967 | 240 | | | 1,207 | | 1,207 | 24 |
| 25 | | Highway Grade Crossings- Running | 690 | 1,281 | 7,202 | 2,853 | 12,026 | | 12,026 | 25 |
| 26 | | Highway Grade Crossings- Switching | | 116 | 206 | | 322 | | 322 | 26 |
| 27 | | Station and Office Buildings | 1,285 | 965 | 19,785 | 3 | 22,038 | | 22,038 | 27 |
| 28 | | Shop Buildings - Locomotives | 2,839 | 1,382 | 1,671 | 19,522 | 25,414 | | 25,414 | 28 |
| 29 | | Shop Buildings - Freight Cars | 102 | 1,337 | 2,051 | | 3,490 | N/A | 3,490 | 29 |
| 30 | | Shop Buildings - Other Equipment | 23 | 77 | | | 100 | | 100 | 30 |

410. RAILWAY OPERATING EXPENSES - Continued

(Dollars in Thousands)

| Line No. | Cross Check | Name of railway operating expense account (a) | FREIGHT | | | | Total freight expense (f) | Passenger (g) | Total (h) | Line No. |
|----------|-------------|---|---------------------------|--|---------------------------|----------------|------------------------------|------------------|--------------|----------|
| | | | Salaries and wages (b) | Material, tools, supplies, fuels and lubricants (c) | Purchased services (d) | General (e) | | | | |
| | | REPAIR AND MAINTENANCE - Continued: | | | | | | | | |
| 101 | | Locomotive Servicing Facilities | 9 | | | | 9 | | 9 | 101 |
| 102 | | Miscellaneous Buildings and Structures | 800 | 673 | 2,108 | | 3,581 | | 3,581 | 102 |
| 103 | | Coal Terminals | 2,884 | 2,155 | 2,081 | | 7,120 | N/A | 7,120 | 103 |
| 104 | | Ore Terminals | | | | | | N/A | | 104 |
| 105 | | Other Marine Terminals | | | | | | N/A | | 105 |
| 106 | | TOFC/COFC Terminals | 101 | 11,315 | 21,571 | | 32,987 | N/A | 32,987 | 106 |
| 107 | | Motor Vehicle Loading and Distribution Facilities | | | 441 | | 441 | N/A | 441 | 107 |
| 108 | | Facilities for Other Specialized Service Operations | | 895 | 2,073 | 316 | 3,284 | N/A | 3,284 | 108 |
| 109 | | Roadway Machines | 9,384 | 17,644 | 1,228 | 892 | 29,148 | | 29,148 | 109 |
| 110 | | Small Tools and Supplies | | 14,219 | 2,783 | | 17,002 | | 17,002 | 110 |
| 111 | | Snow Removal | 3,341 | 73 | 5,611 | | 9,025 | | 9,025 | 111 |
| 112 | | Fringe Benefits - Running | | | | 64,037 | 64,037 | | 64,037 | 112 |
| 113 | | Fringe Benefits - Switching | | | | 4,454 | 4,454 | | 4,454 | 113 |
| 114 | | Fringe Benefits - Other | | | | 10,754 | 10,754 | | 10,754 | 114 |
| 115 | | Casualties and Insurance - Running | | | | 40,238 | 40,238 | | 40,238 | 115 |
| 116 | | Casualties and Insurance - Switching | | | | 3,377 | 3,377 | | 3,377 | 116 |
| 117 | | Casualties and Insurance - Other | | | | 7,851 | 7,851 | | 7,851 | 117 |
| 118 | * | Lease Rentals - Debit- Running | | | 44,492 | | 44,492 | | 44,492 | 118 |
| 119 | * | Lease Rentals - Debit - Switching | | | 146,715 | | 146,715 | | 146,715 | 119 |
| 120 | * | Lease Rentals - Debit - Other | | | 20,910 | | 20,910 | | 20,910 | 120 |
| 121 | * | Lease Rentals - (Credit) - Running | | | (10,234) | | (10,234) | | (10,234) | 121 |
| 122 | * | Lease Rentals - (Credit) - Switching | | | | | | | | 122 |
| 123 | * | Lease Rentals - (Credit) - Other | | | | | | | | 123 |
| 124 | | Joint Facility Rent - Debit - Running | | | 4,008 | | 4,008 | | 4,008 | 124 |
| 125 | | Joint Facility Rent - Debit - Switching | | | 1,159 | | 1,159 | | 1,159 | 125 |
| 126 | | Joint Facility Rent - Debit - Other | | | 78 | | 78 | | 78 | 126 |
| 127 | * | Joint Facility Rent - (Credit) - Running | | | (7,552) | | (7,552) | | (7,552) | 127 |
| 128 | * | Joint Facility Rent - (Credit) - Switching | | | (33) | | (33) | | (33) | 128 |
| 129 | * | Joint Facility Rent - (Credit) - Other | | | (3) | | (3) | | (3) | 129 |
| 130 | * | Other Rents - Debit -Running | | | 4,016 | | 4,016 | | 4,016 | 130 |
| 131 | * | Other Rents - Debit -Switching | | | | | | | | 131 |
| 132 | * | Other Rents - Debit -Other | | | 2,027 | | 2,027 | | 2,027 | 132 |
| 133 | * | Other Rents - (Credit) -Running | | | | | | | | 133 |
| 134 | * | Other Rents - (Credit) -Switching | | | | | | | | 134 |
| 135 | * | Other Rents - (Credit) -Other | | | (2,360) | | (2,360) | | (2,360) | 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 | | | | 429,899 | 429,899 | | 429,899 | 136 |
| 137 | * | Depreciation - Switching | | | | 45,806 | 45,806 | | 45,806 | 137 |
| 138 | * | Depreciation - Other | | | | 368,638 | 368,638 | | 368,638 | 138 |
| 139 | | Joint Facility - Debit - Running | | | 50,961 | | 50,961 | | 50,961 | 139 |
| 140 | | Joint Facility - Debit - Switching | | | 7,585 | | 7,585 | | 7,585 | 140 |
| 141 | | Joint Facility - Debit - Other | | | 263 | | 263 | | 263 | 141 |
| 142 | | Joint Facility - (Credit) - Running | | | (27,407) | | (27,407) | | (27,407) | 142 |
| 143 | | Joint Facility - (Credit) - Switching | | | (148) | | (148) | | (148) | 143 |
| 144 | | Joint Facility - (Credit) - Other | | | (308) | | (308) | | (308) | 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 | 570 | | | 5,505 | 6,075 | | 6,075 | 148 |
| 149 | | Other - Switching | | | 11 | | 11 | | 11 | 149 |
| 150 | | Other - Other | | | | | | | | 150 |
| | | TOTAL REPAIR AND MAINTENANCE | 182,285 | 80,209 | 414,318 | 1,021,604 | 1,698,416 | | 1,698,416 | |
| 151 | | TOTAL WAY AND STRUCTURES | 184,440 | 80,816 | 424,735 | 1,024,614 | 1,714,605 | | 1,714,605 | 151 |
| | | EQUIPMENT: | | | | | | | | |
| | | LOCOMOTIVES: | | | | | | | | |
| 201 | | Administration | 8,727 | 268 | 2,543 | 544 | 12,082 | | 12,082 | 201 |
| 202 | * | Repair and Maintenance | 106,751 | 170,997 | 23,053 | 71 | 300,872 | | 300,872 | 202 |
| 203 | * | Machinery Repair | 4,224 | 1,629 | 1,656 | | 7,509 | | 7,509 | 203 |
| 204 | | Equipment Damaged | 94 | 102 | | | 196 | | 196 | 204 |
| 205 | | Fringe Benefits | | | | 58,007 | 58,007 | | 58,007 | 205 |
| 206 | | Other Casualties and Insurance | | | | 9,820 | 9,820 | | 9,820 | 206 |
| 207 | * | Lease Rentals - Debit | | | 1,605 | | 1,605 | | 1,605 | 207 |
| 208 | * | Lease Rentals - (Credit) | | | (8,459) | | (8,459) | | (8,459) | 208 |
| 209 | | Joint Facility Rent - Debit | | | | | | | | 209 |
| 210 | * | Joint Facility Rent - (Credit) | | | | | | | | 210 |
| 211 | * | Other Rents - Debit | | | 223 | | 223 | | 223 | 211 |
| 212 | * | Other Rents - (Credit) | | | | | | | | 212 |
| 213 | * | Depreciation | | | | 204,398 | 204,398 | | 204,398 | 213 |
| 214 | | Joint Facility - Debit | | | | | | | | 214 |
| 215 | | Joint Facility - (Credit) | | | | | | | | 215 |
| 216 | * | Repairs Billed to Others - (Credit) | | | (3,095) | | (3,095) | | (3,095) | 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) | | | |
| | | LOCOMOTIVES - Continued: | | | | | | | | |
| 218 | | Other | 8,458 | 25 | | 1 | 8,484 | | 8,484 | 218 |
| 219 | | TOTAL LOCOMOTIVES | 128,254 | 173,021 | 17,526 | 272,841 | 591,642 | | 591,642 | 219 |
| | | FREIGHT CARS: | | | | | | | | |
| 220 | | Administration | 3,436 | 748 | 2,715 | 1,083 | 7,982 | N/A | 7,982 | 220 |
| 221 | * | Repair and Maintenance | 32,686 | 46,157 | 77,385 | 51 | 156,279 | N/A | 156,279 | 221 |
| 222 | * | Machinery Repair | 400 | 546 | 7,387 | | 8,333 | N/A | 8,333 | 222 |
| 223 | | Equipment Damaged | 2,684 | 3,324 | | | 6,008 | N/A | 6,008 | 223 |
| 224 | | Fringe Benefits | | | | 20,119 | 20,119 | N/A | 20,119 | 224 |
| 225 | | Other Casualties and Insurance | | | | 11,756 | 11,756 | N/A | 11,756 | 225 |
| 226 | * | Lease Rentals - Debit | | | 34,339 | | 34,339 | N/A | 34,339 | 226 |
| 227 | * | Lease Rentals - (Credit) | | | (11,499) | | (11,499) | N/A | (11,499) | 227 |
| 228 | | Joint Facility Rent - Debit | | | | | | N/A | | 228 |
| 229 | * | Joint Facility Rent - (Credit) | | | | | | N/A | | 229 |
| 230 | * | Other Rents - Debit | | | 486,325 | | 486,325 | N/A | 486,325 | 230 |
| 231 | * | Other Rents - (Credit) | | | (212,812) | | (212,812) | N/A | (212,812) | 231 |
| 232 | * | Depreciation | | | | 50,164 | 50,164 | N/A | 50,164 | 232 |
| 233 | | Joint Facility - Debit | | | | | | N/A | | 233 |
| 234 | | Joint Facility - (Credit) | | | | | | N/A | | 234 |
| 235 | * | Repairs Billed to Others - (Credit) | | | (60,847) | | (60,847) | N/A | (60,847) | 235 |
| 236 | | Dismantling Retired Property | | | | | | N/A | | 236 |
| 237 | | Other | 3,568 | 29,486 | | 28 | 33,082 | N/A | 33,082 | 237 |
| 238 | | TOTAL FREIGHT CARS | 42,774 | 80,261 | 322,993 | 83,201 | 529,229 | N/A | 529,229 | 238 |
| | | OTHER EQUIPMENT: | | | | | | | | |
| 301 | | Administration | | 206 | 2 | 268 | 476 | | 476 | 301 |
| | | Repair and Maintenance: | | | | | | | | |
| 302 | * | Trucks, Trailers and Containers - Revenue Service | | 535 | 65,384 | 225 | 66,144 | N/A | 66,144 | 302 |
| 303 | * | Floating Equipment - Revenue Service | | | | | | N/A | | 303 |
| 304 | * | Passenger and Other Revenue Equipment | | | | | | | | 304 |
| 305 | * | Computer Systems and Word Processing Equipment | | 1,558 | 113,547 | 86 | 115,191 | | 115,191 | 305 |
| 306 | * | Machinery | 157 | 200 | 83 | | 440 | | 440 | 306 |
| 307 | * | Work and Other Non-Revenue Equipment | 1,459 | 1,607 | 17,877 | 2 | 20,945 | | 20,945 | 307 |
| 308 | | Machinery | | | | | | | | 308 |
| 309 | | Fringe Benefits | | | | 3,039 | 3,039 | | 3,039 | 309 |
| 310 | | Other Casualties and Insurance | | | | 6,362 | 6,362 | | 6,362 | 310 |
| 311 | * | Lease Rentals - Debit | | | 1,105 | | 1,105 | | 1,105 | 311 |

410. RAILWAY OPERATING EXPENSES - Continued

(Dollars in Thousands)

Railroad Annual Report R-1

Road Initials: NS Rail Year: 2019

| Line No. | Cross Check | Name of railway operating expense account (a) | FREIGHT | | | | | Passenger (g) | Total (h) | Line No. |
|----------|-------------|--|---------------------------|--|---------------------------|----------------|------------------------------|------------------|--------------|----------|
| | | | Salaries and wages (b) | Material, tools, supplies, fuels and lubricants (c) | Purchased services (d) | General (e) | Total freight expense (f) | | | |
| 312 | * | OTHER EQUIPMENT - Continued: Lease Rentals - (Credit) | | | | | | | | 312 |
| 313 | | Joint Facility Rent - Debit | | | 159 | | 159 | | 159 | 313 |
| 314 | * | Joint Facility Rent - (Credit) | | | (8) | | (8) | | (8) | 314 |
| 315 | * | Other Rents - Debit | | | 33,132 | | 33,132 | | 33,132 | 315 |
| 316 | * | Other Rents - (Credit) | | | (32,570) | | (32,570) | | (32,570) | 316 |
| 317 | * | Depreciation | | | | 106,157 | 106,157 | | 106,157 | 317 |
| 318 | | Joint Facility - Debit | | | 19 | | 19 | | 19 | 318 |
| 319 | | Joint Facility - (Credit) | | | | | | | | 319 |
| 320 | * | Repairs Billed to Others - (Credit) | | | (11,913) | | (11,913) | | (11,913) | 320 |
| 321 | | Dismantling Retired Property | | | | | | | | 321 |
| 322 | | Other | | | | | | | | 322 |
| 323 | | TOTAL OTHER EQUIPMENT | 1,616 | 4,106 | 186,817 | 116,139 | 308,678 | | 308,678 | 323 |
| 324 | | TOTAL EQUIPMENT | 172,644 | 257,388 | 527,336 | 472,181 | 1,429,549 | | 1,429,549 | 324 |
| 401 | | TRANSPORTATION: TRAIN OPERATIONS: Administration | 6,852 | 2,904 | 3,637 | 4,774 | 18,167 | | 18,167 | 401 |
| 402 | | Engine Crews | 389,424 | 294 | 23,522 | 19,832 | 433,072 | | 433,072 | 402 |
| 403 | | Train Crews | 290,223 | 1,362 | 19,029 | 16,899 | 327,513 | | 327,513 | 403 |
| 404 | | Dispatching Trains | 39,305 | 58 | 28 | 352 | 39,743 | | 39,743 | 404 |
| 405 | | Operating Signals and Interlockers | 40,687 | 36 | 4 | 228 | 40,955 | | 40,955 | 405 |
| 406 | | Operating Drawbridges | 1,905 | 1 | | | 1,906 | | 1,906 | 406 |
| 407 | | Highway Crossing Protection | 19 | 144 | 5,326 | 33 | 5,522 | | 5,522 | 407 |
| 408 | | Train Inspection and Lubrication | 38,636 | 24 | | | 38,660 | | 38,660 | 408 |
| 409 | * | Locomotive Fuel | | 834,229 | 2 | | 834,231 | | 834,231 | 409 |
| 410 | | Electric Power Purchased or Produced for Motive Power | | | | | | | | 410 |
| 411 | | Servicing Locomotives | 25,449 | 4,313 | 15,115 | 5 | 44,882 | | 44,882 | 411 |
| 412 | | Freight Lost or Damaged - Solely Related | | | | | | | | 412 |
| 413 | | Clearing Wrecks | 160 | 6 | 20,261 | | 20,427 | | 20,427 | 413 |
| 414 | | Fringe Benefits | | | | 389,587 | 389,587 | | 389,587 | 414 |
| 415 | | Other Casualties and Insurance | | | | 53,842 | 53,842 | | 53,842 | 415 |
| 416 | | Joint Facility - Debit | | | 782 | | 782 | | 782 | 416 |
| 417 | | Joint Facility - (Credit) | | | (118) | | (118) | | (118) | 417 |
| 418 | | Other | (1,365) | 1 | 65,770 | (20) | 64,386 | | 64,386 | 418 |
| 419 | | TOTAL TRAIN OPERATIONS | 831,295 | 843,372 | 153,358 | 485,532 | 2,313,557 | | 2,313,557 | 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 | 772 | 169 | 774 | 746 | 2,461 | | 2,461 | 420 |
| 421 | | Switch Crews | 191,394 | 751 | 28,371 | 411 | 220,927 | | 220,927 | 421 |
| 422 | | Controlling Operations | 34,168 | 79 | 107 | 13 | 34,367 | | 34,367 | 422 |
| 423 | | Yard and Terminal Clerical | 1,961 | 3,667 | 2,640 | 390 | 8,658 | | 8,658 | 423 |
| 424 | | Operating Switches, Signals, Retarders and Humps | | 641 | 14 | | 655 | | 655 | 424 |
| 425 | * | Locomotive Fuel | | 65,904 | | | 65,904 | | 65,904 | 425 |
| 426 | | Electric Power Purchased or Produced for Motive Power | | | | | | | | 426 |
| 427 | | Servicing Locomotives | 45 | | | | 45 | | 45 | 427 |
| 428 | | Freight Lost or Damaged - Soley Related | | | | | | | | 428 |
| 429 | | Clearing Wrecks | 73 | | | | 73 | | 73 | 429 |
| 430 | | Fringe Benefits | | | | 102,356 | 102,356 | | 102,356 | 430 |
| 431 | | Other Casualties and Insurance | | | | 7,149 | 7,149 | | 7,149 | 431 |
| 432 | | Joint Facility - Debit | | | 8,906 | | 8,906 | | 8,906 | 432 |
| 433 | | Joint Facility - (Credit) | | | (570) | | (570) | | (570) | 433 |
| 434 | | Other | | | 7 | | 7 | | 7 | 434 |
| 435 | | TOTAL YARD OPERATIONS | 228,413 | 71,211 | 40,249 | 111,065 | 450,938 | | 450,938 | 435 |
| TRAIN AND YARD OPERATIONS COMMON: | | | | | | | | | | |
| 501 | | Cleaning Car Interiors | 371 | 1 | 4,119 | | 4,491 | | 4,491 | 501 |
| 502 | | Adjusting and Transferring Loads | 49 | 1 | 1,462 | | 1,512 | N/A | 1,512 | 502 |
| 503 | | Car Loading Devices and Grain Doors | 1 | | | | 1 | N/A | 1 | 503 |
| 504 | | Freight Lost or Damaged - All Other | | | | 21,747 | 21,747 | | 21,747 | 504 |
| 505 | | Fringe Benefits | | | | 189 | 189 | | 189 | 505 |
| 506 | | TOTAL TRAIN AND YARD OPERATIONS COMMON | 421 | 2 | 5,581 | 21,936 | 27,940 | | 27,940 | 506 |
| SPECIALIZED SERVICES OPERATIONS: | | | | | | | | | | |
| 507 | * | Administration | 4,721 | 550 | 13,586 | 414 | 19,271 | N/A | 19,271 | 507 |
| 508 | * | Pickup and Delivery and Marine Line Haul | 481 | 11,546 | 91,397 | 337 | 103,761 | N/A | 103,761 | 508 |
| 509 | * | Loading and Unloading and Local Marine | 8,725 | 5,482 | 311,676 | 6 | 325,889 | N/A | 325,889 | 509 |
| 510 | * | Protective Services | | 61 | 272 | | 333 | N/A | 333 | 510 |
| 511 | * | Freight Lost or Damaged - Solely Related | | | | | | N/A | | 511 |
| 512 | * | Fringe Benefits | | | | 6,132 | 6,132 | N/A | 6,132 | 512 |
| 513 | * | Casualties and Insurance | | | | 6,847 | 6,847 | N/A | 6,847 | 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 | 13,927 | 17,639 | 416,932 | 13,736 | 462,234 | N/A | 462,234 | 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 | | 72 | 723 | 618 | 1,413 | | 1,413 | 518 |
| 519 | | Employees Performing Clerical and Accounting Functions | 15,422 | 325 | 1,753 | 459 | 17,959 | | 17,959 | 519 |
| 520 | | Communications Systems Operation | 736 | | | 10 | 746 | | 746 | 520 |
| 521 | | Loss and Damage Claims Processing | 3 | 8 | 5,334 | | 5,345 | | 5,345 | 521 |
| 522 | | Fringe Benefits | | | | 7,910 | 7,910 | | 7,910 | 522 |
| 523 | | Casualties and Insurance | | | | 525 | 525 | | 525 | 523 |
| 524 | | Joint Facility - Debit | | | | | | | | 524 |
| 525 | | Joint Facility - (Credit) | | | | | | | | 525 |
| 526 | | Other | | | | | | | | 526 |
| 527 | | TOTAL ADMINISTRATIVE SUPPORT OPERATIONS | 16,161 | 405 | 7,810 | 9,522 | 33,898 | | 33,898 | 527 |
| 528 | | TOTAL TRANSPORTATION | 1,090,217 | 932,629 | 623,930 | 641,791 | 3,288,567 | | 3,288,567 | 528 |
| | | GENERAL AND ADMINISTRATIVE: | | | | | | | | |
| 601 | | Officers - General Administration | 480 | 1,440 | 1,671 | 674 | 4,265 | | 4,265 | 601 |
| 602 | | Accounting, Auditing and Finance | 2,626 | 87 | 8,529 | 782 | 12,024 | | 12,024 | 602 |
| 603 | | Management Services and Data Processing | 3,163 | 204 | 98,032 | 1,176 | 102,575 | | 102,575 | 603 |
| 604 | | Marketing | 923 | 73 | 16,374 | 2,841 | 20,211 | | 20,211 | 604 |
| 605 | | Sales | | 29 | 30 | 157 | 216 | | 216 | 605 |
| 606 | | Industrial Development | 66 | 44 | 71 | 209 | 390 | N/A | 390 | 606 |
| 607 | | Personnel and Labor Relations | 414 | 489 | 13,191 | 3,385 | 17,479 | | 17,479 | 607 |
| 608 | | Legal and Secretarial | | 92 | 39,623 | 1,855 | 41,570 | | 41,570 | 608 |
| 609 | | Public Relations and Advertising | | 197 | 6,229 | 1,860 | 8,286 | | 8,286 | 609 |
| 610 | | Research and Development | | | | | | | | 610 |
| 611 | | Fringe Benefits | | | | 7,210 | 7,210 | | 7,210 | 611 |
| 612 | | Casualties and Insurance | | | | 5,345 | 5,345 | | 5,345 | 612 |
| 613 | | Writedown of Uncollectible Accounts | | | | 37,172 | 37,172 | | 37,172 | 613 |
| 614 | | Property Taxes | | | | 154,261 | 154,261 | | 154,261 | 614 |
| 615 | | Other Taxes Except on Corporate Income or Payrolls | | | | 31,093 | 31,093 | | 31,093 | 615 |
| 616 | | Joint Facility - Debit | | | | | | | | 616 |
| 617 | | Joint Facility - (Credit) | | | | | | | | 617 |
| 618 | | Other | 6,846 | 2,476 | 710,085 | 184,788 | 904,195 | | 904,195 | 618 |
| 619 | | TOTAL GENERAL AND ADMINISTRATIVE | 14,518 | 5,131 | 893,835 | 432,808 | 1,346,292 | | 1,346,292 | 619 |
| 620 | * | TOTAL CARRIER OPERATING EXPENSES | 1,461,819 | 1,275,964 | 2,469,836 | 2,571,394 | 7,779,013 | | 7,779,013 | 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 | 51,268 | 12,482 | (7,921) | 2 |
| 3 | | 4 | Other, right-of-way expenditures | 190 | 45 | (6) | 3 |
| 4 | | 5 | Tunnels and subways | 4,440 | 1,081 | (125) | 4 |
| 5 | | 6 | Bridges, trestles, and culverts | 47,250 | 11,504 | (2,031) | 5 |
| 6 | | 7 | Elevated structures | 22 | 5 | (168) | 6 |
| 7 | | 8 | Ties | 253,748 | 61,778 | 1,944 | 7 |
| 8 | | 9 | Rail and other track material | 144,572 | 35,198 | (15,512) | 8 |
| 9 | | 11 | Ballast | 77,551 | 18,880 | 1,129 | 9 |
| 10 | | 13 | Fences, snow sheds, and signs | 74 | 18 | (32) | 10 |
| 11 | | 16 | Station and office buildings | 13,555 | 3,300 | (3,016) | 11 |
| 12 | | 17 | Roadway buildings | 723 | 176 | (366) | 12 |
| 13 | | 18 | Water stations | | | | 13 |
| 14 | | 19 | Fuel stations | 3,658 | 891 | (144) | 14 |
| 15 | | 20 | Shops and enginehouses | 11,020 | 2,683 | (271) | 15 |
| 16 | | 22 | Storage warehouses | (5) | (1) | (27) | 16 |
| 17 | | 23 | Wharves and docks | 224 | 55 | (55) | 17 |
| 18 | | 24 | Coal and ore wharves | 7,755 | 1,888 | (42) | 18 |
| 19 | | 25 | TOFC/COFC terminals | 26,576 | 6,470 | (1,107) | 19 |
| 20 | | 26 | Communications systems | 23,789 | 5,792 | (4,354) | 20 |
| 21 | | 27 | Signals and interlocker | 102,528 | 24,962 | 8,061 | 21 |
| 22 | | 29 | Power plants | 15 | 4 | (67) | 22 |
| 23 | | 31 | Power-transmissions systems | 826 | 201 | (174) | 23 |
| 24 | | 35 | Miscellaneous structures | 168 | 41 | (141) | 24 |
| 25 | | 37 | Roadway machines | 22,926 | 5,582 | (2,804) | 25 |
| 26 | | 39 | Public improvements-Construction | 51,264 | 12,481 | 20,488 | 26 |
| 27 | | 45 | Power plant machines | 206 | 50 | (115) | 27 |
| 28 | | | Other lease/rentals | | | | 28 |
| 29 | * | | Total | 844,343 | 205,566 | (6,856) | 29 |

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

(Dollars in Thousands)

1. Report freight expenses only.
 2. Report in this supporting schedule rental information by car type and other freight-carrying equipment relating to the interchange of railroad, owned or leased equipment and privately owned equipment. (Reporting for leased equipment covers equipment with the carrier's own railroad markings.)
 3. The gross amounts receivable and payable for freight-train cars (line 19, columns (b) through (d), and line 19, columns (e) through (g), respectively) should balance with Schedule 410, column (f), lines 231 (credits) and 230 (debits). Trailer and container rentals in this schedule are included in Schedule 410, column (f), lines 315 and 316. However, the trailer and container rentals in this schedule will not balance to lines 315 and 316 of Schedule 410 because those lines include rents for "Other Equipment" which is reported in Schedule 415, column (e). The balancing of Schedule 410, 414 and 415 "Other Equipment" is outlined in note 6 to Schedule 415.
 4. Report in columns (b) and (e) rentals for private-line cars (whether under railroad control or not) and shipper-owned cars.
 5. Report in columns (c), (d), (f), and (g) rentals for railroad owned cars prescribed by the Board in Ex Parte No. 334, for which rentals are settled on a combination mileage and time basis (basic per diem). Include railroad owned per diem tank cars on line 17.
- NOTE: Mechanical designations for each car type are shown in Schedule 710.

| Line No. | Cross Check | Type of Equipment (a) | GROSS AMOUNTS RECEIVABLE Per diem basis | | | GROSS AMOUNTS PAYABLE Per diem basis | | | Line No. |
|---|-------------|--------------------------------------|--|----------------|----------------|---|----------------|----------------|----------|
| | | | Private line cars (b) | Mileage (c) | Time (d) | Private line cars (e) | Mileage (f) | Time (g) | |
| CAR TYPES | | | | | | | | | |
| 1 | | Box-Plain 40 Foot | | | | | | 1 | |
| 2 | | Box-Plain 50 Foot and Longer | | 23 | 65 | 29,797 | 1,515 | 4,109 | 2 |
| 3 | | Box-Equipped | | 5,088 | 14,707 | 132 | 10,377 | 36,615 | 3 |
| 4 | | Gondola-Plain | | 1,873 | 6,457 | 1,421 | 625 | 1,786 | 4 |
| 5 | | Gondola-Equipped | | 3,227 | 9,054 | 20 | 1,643 | 5,568 | 5 |
| 6 | | Hopper-Covered | | 729 | 4,890 | 5,869 | 2,852 | 7,851 | 6 |
| 7 | | Hopper-Open Top-General Service | | 114 | 2,172 | 1 | 129 | 312 | 7 |
| 8 | | Hopper-Open Top-Special Service | | 242 | 830 | 2 | 104 | 420 | 8 |
| 9 | | Refrigerator-Mechanical | | | | 7 | 620 | 2,065 | 9 |
| 10 | | Refrigerator-Non-Mechanical | | | | 2 | 326 | 600 | 10 |
| 11 | | Flat-TOFC/COFC | | | 26,304 | 116,389 | 8,859 | 33,545 | 11 |
| 12 | | Flat-Multi-Level | | 120 | 53,797 | 71,221 | 2,944 | 38,814 | 12 |
| 13 | | Flat-General Service | | 3 | 12 | 177 | 40 | 30 | 13 |
| 14 | | Flat-Other | | 362 | 1,785 | 18,840 | 1,872 | 5,598 | 14 |
| 15 | | Tank-Under 22,000 Gallons | | | | 2,639 | | | 15 |
| 16 | | Tank-22,000 Gallons and Over | | | | 6,256 | | | 16 |
| 17 | | All Other Freight Cars | | | 11,587 | | 23 | 63 | 17 |
| 18 | | Auto Racks | | | 69,371 | | | 64,247 | 18 |
| 19 | | TOTAL FREIGHT TRAIN CARS | | 11,781 | 201,031 | 252,773 | 31,929 | 201,623 | 19 |
| OTHER FREIGHT CARRYING EQUIPMENT | | | | | | | | | |
| 20 | | Refrigerated Trailers | | | | | | | 20 |
| 21 | | Other Trailers | | | | | | | 21 |
| 22 | | Refrigerated Containers | | | | | | | 22 |
| 23 | | Other Containers | | | 32,572 | 3,000 | | 30,001 | 23 |
| 24 | * | TOTAL TRAILERS AND CONTAINERS | | | 32,572 | 3,000 | | 30,001 | 24 |
| 25 | | GRAND TOTAL (LINES 19 AND 24) | | 11,781 | 233,603 | 255,773 | 31,929 | 231,624 | 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.
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 53A and B.

| Line No. | Cross Check | Types of equipment (a) | Repairs (net expense) (b) | Depreciation | | Amortization Adjustment net during year (e) | Line No. |
|----------|-------------|--|---------------------------------|----------------|-----------------------------|--|-----------|
| | | | | Owned (c) | Capitalized lease (d) | | |
| | | LOCOMOTIVES | | | | | |
| 1 | | Diesel Locomotive - Yard | 20,298 | 6,944 | | 5,748 | 1 |
| 2 | | Diesel Locomotive - Road | 277,479 | 195,910 | | (19,458) | 2 |
| 3 | | Other Locomotive - Yard | | | | | 3 |
| 4 | | Other Locomotive - Road | | | | | 4 |
| 5 | * | TOTAL | 297,777 | 202,854 | | (13,710) | 5 |
| | | FREIGHT TRAIN CARS | | | | | |
| 6 | | Box - Plain 40 Foot | | | | | 6 |
| 7 | | Box - Plain 50 Foot and Longer | 513 | (32) | | (36) | 7 |
| 8 | | Box - Equipped | 10,006 | 605 | | (4,448) | 8 |
| 9 | | Gondola - Plain | 17,536 | 11,885 | | (4,772) | 9 |
| 10 | | Gondola - Equipped | 15,676 | 6,331 | | (1,324) | 10 |
| 11 | | Hopper - Covered | 16,861 | 4,594 | | (1,856) | 11 |
| 12 | | Hopper - Open Top - General Service | 6,224 | 2,719 | | (7,404) | 12 |
| 13 | | Hopper - Open Top - Special Service | 8,161 | 2,268 | | (1,709) | 13 |
| 14 | | Refrigerator - Mechanical | 326 | | | | 14 |
| 15 | | Refrigerator - Nonmechanical | 90 | | | | 15 |
| 16 | | Flat TOFC/COFC | 3,150 | (86) | | (87) | 16 |
| 17 | | Flat Multi - level | 3,085 | 652 | | (384) | 17 |
| 18 | | Flat - General Service | 21 | (1) | | (1) | 18 |
| 19 | | Flat - Other | 4,165 | 272 | | (578) | 19 |
| 20 | | All Other Freight Cars | 9,477 | 300 | | (53) | 20 |
| 21 | | Cabooses | 71 | 57 | | (101) | 21 |
| 22 | | Auto Racks | 70 | 16,619 | | (5,964) | 22 |
| 23 | | Miscellaneous Accessories | | 732 | | 59 | 23 |
| 24 | * | TOTAL FREIGHT TRAIN CARS | 95,432 | 46,915 | | (28,658) | 24 |
| | | OTHER EQUIPMENT - REVENUE | | | | | |
| | | FREIGHT HIGHWAY EQUIPMENT | | | | | |
| 25 | | Refrigerated Trailers | | | | | 25 |
| 26 | | Other Trailers | 1,170 | 1,335 | | (837) | 26 |
| 27 | | Refrigerated Containers | | | | | 27 |
| 28 | | Other Containers | 6,250 | 10,995 | | | 28 |
| 29 | | Bogies | | | | | 29 |
| 30 | | Chassis | 46,811 | 14,974 | | | 30 |
| 31 | | Other Highway Equipment (Freight) | | | | | 31 |
| 32 | * | TOTAL HIGHWAY EQUIPMENT | 54,231 | 27,304 | | (837) | 32 |
| | | FLOATING EQUIPMENT - REVENUE SERVICE | | | | | |
| 33 | | Marine Line - Haul | | | | | 33 |
| 34 | | Local Marine | | | | | 34 |
| 35 | * | TOTAL FLOATING EQUIPMENT | | | | | 35 |
| | | OTHER EQUIPMENT | | | | | |
| 36 | * | Passenger & Other Revenue Equipment (Freight Portion) | | | | | 36 |
| 37 | * | Computer systems & word processing equip. | 115,191 | 56,515 | 2,297 | (6,738) | 37 |
| 38 | * | Machinery - Locomotives (see notes 1, 4, 5) | 7,509 | 1,544 | | (350) | 38 |
| 39 | * | Machinery - Freight Cars (see notes 2, 4, 5) | 8,333 | 3,249 | | (736) | 39 |
| 40 | * | Machinery - Other Equipment (see notes 3, 4, 5) | 440 | 728 | | (165) | 40 |
| 41 | * | Work & Other Non - revenue Equipment | 20,945 | 19,313 | | (5,184) | 41 |
| 42 | | TOTAL OTHER EQUIPMENT | 152,418 | 81,349 | 2,297 | (13,173) | 42 |
| 43 | | TOTAL ALL EQUIPMENT (FREIGHT PORTION) | 599,858 | 358,422 | 2,297 | (56,378) | 43 |

Note 1 Data to be reported on line 38, column (b) is the amount reported in Schedule 410, column (f), line 203.

Note 2 Data to be reported on line 39, column (b) is the amount reported in Schedule 410, column (f), line 222.

Note 3 Data to be reported on line 40 in column (b) is the amount reported in Schedule 410, column (f), line 306.

415. SUPPORTING SCHEDULE - EQUIPMENT

(Dollars in Thousands)

See also schedule 415 (supplement) on pages 53A 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 | | | 115,707 | | 37,470 | | 1 |
| 2 | | (6,854) | 5,857,577 | | 2,073,813 | | 2 |
| 3 | | | | | | | 3 |
| 4 | | | | | | | 4 |
| 5 | | (6,854) | 5,973,284 | | 2,111,283 | | 5 |
| 6 | | | | | | | 6 |
| 7 | | 265 | 462 | | 414 | | 7 |
| 8 | | 5,308 | 203,618 | | 118,974 | | 8 |
| 9 | | 3,070 | 781,635 | | 241,010 | | 9 |
| 10 | | 9,666 | 447,064 | | 138,373 | | 10 |
| 11 | | 765 | 339,607 | | 121,447 | | 11 |
| 12 | | 2,494 | 432,292 | | 124,907 | | 12 |
| 13 | | | 170,650 | | 86,652 | | 13 |
| 14 | | | | | | | 14 |
| 15 | | | | | | | 15 |
| 16 | | (4,144) | 281 | | 548 | | 16 |
| 17 | | 2,138 | 27,121 | | 16,843 | | 17 |
| 18 | | 955 | 24 | | (1) | | 18 |
| 19 | | | 45,110 | | 27,282 | | 19 |
| 20 | | 28 | 18,317 | | 14,985 | | 20 |
| 21 | | | 4,485 | | 3,562 | | 21 |
| 22 | | 1,470 | 508,968 | | 251,322 | | 22 |
| 23 | | | 8,024 | | 1,729 | | 23 |
| 24 | | 22,015 | 2,987,658 | | 1,148,047 | | 24 |
| 25 | | | | | | | 25 |
| 26 | | 859 | 37,634 | | 26,783 | | 26 |
| 27 | | | | | | | 27 |
| 28 | | 69 | 195,389 | | 63,943 | | 28 |
| 29 | | | | | | | 29 |
| 30 | | | 367,616 | | 101,235 | | 30 |
| 31 | | | | | | | 31 |
| 32 | | 928 | 600,639 | | 191,961 | | 32 |
| 33 | | | | | | | 33 |
| 34 | | | | | | | 34 |
| 35 | | | | | | | 35 |
| 36 | | | | | | | 36 |
| 37 | | | 721,139 | 10,895 | 352,946 | 2,297 | 37 |
| 38 | | 223 | 56,327 | | 22,175 | | 38 |
| 39 | | | 118,528 | | 46,664 | | 39 |
| 40 | | | 26,558 | | 10,456 | | 40 |
| 41 | | 310 | 481,887 | | 195,790 | | 41 |
| 42 | | 533 | 1,404,439 | 10,895 | 628,031 | 2,297 | 42 |
| 43 | | 16,622 | 10,966,020 | 10,895 | 4,079,322 | 2,297 | 43 |

Note 4 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 5 Depreciation reported on lines 38, 39 and 40 in column (c) is property account 44 and this amount should equal the amount show in column (c), Schedule 335.

415. SUPPORTING SCHEDULE - IMPROVEMENTS TO EQUIPMENT LEASED FROM OTHERS

(Dollars in Thousands)

****SUPPLEMENT****

| Line No. | Cross Check | Types of equipment (a) | Repairs (net expense) (b) | Depreciation | | Amortization Adjustment net during year (e) | Line No. |
|----------|-------------|--|---------------------------------|----------------|-----------------------------|--|----------|
| | | | | Owned** (c) | Capitalized lease (d) | | |
| | | LOCOMOTIVES | | | | | |
| 1 | | Diesel Locomotive - Yard | | | | | 1 |
| 2 | | Diesel Locomotive - Road | | | | | 2 |
| 3 | | Other Locomotive - Yard | | | | | 3 |
| 4 | | Other Locomotive - Road | | | | | 4 |
| 5 | * | TOTAL | | | | | 5 |
| | | FREIGHT TRAIN CARS | | | | | |
| 6 | | Box - Plain 40 Foot | | | | | 6 |
| 7 | | Box - Plain 50 Foot and Longer | | | | | 7 |
| 8 | | Box - Equipped | | | | | 8 |
| 9 | | Gondola - Plain | | | | | 9 |
| 10 | | Gondola - Equipped | | | | | 10 |
| 11 | | Hopper - Covered | | | | | 11 |
| 12 | | Hopper - Open Top - General Service | | | | | 12 |
| 13 | | Hopper - Open Top - Special Service | | | | | 13 |
| 14 | | Refrigerator - Mechanical | | | | | 14 |
| 15 | | Refrigerator - Nonmechanical | | | | | 15 |
| 16 | | 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 | | | | | 23 |
| 24 | * | TOTAL FREIGHT TRAIN CARS | | | | | 24 |
| | | OTHER EQUIPMENT - REVENUE FREIGHT HIGHWAY EQUIPMENT | | | | | |
| 25 | | Refrigerated Trailers | | | | | 25 |
| 26 | | Other Trailers | | | | | 26 |
| 27 | | Refrigerated Containers | | | | | 27 |
| 28 | | Other Containers | | | | | 28 |
| 29 | | Bogies | | | | | 29 |
| 30 | | Chassis | | | | | 30 |
| 31 | | Other Highway Equipment (Freight) | | | | | 31 |
| 32 | * | TOTAL HIGHWAY EQUIPMENT | | | | | 32 |
| | | FLOATING EQUIPMENT - REVENUE SERVICE | | | | | |
| 33 | | Marine Line - Haul | | | | | 33 |
| 34 | | Local Marine | | | | | 34 |
| 35 | * | TOTAL FLOATING EQUIPMENT | | | | | 35 |
| | | OTHER EQUIPMENT | | | | | |
| 36 | * | Passenger & Other Revenue Equipment (Freight Portion) | | | | | 36 |
| 37 | * | Computer systems & word processing equip. | | | | | 37 |
| 38 | * | Machinery - Locomotives (see notes 1, 4, 5) | | | | | 38 |
| 39 | * | Machinery - Freight Cars (see notes 2, 4, 5) | | | | | 39 |
| 40 | * | Machinery - Other Equipment (see notes 3, 4, 5) | | | | | 40 |
| 41 | * | Work & Other Non - revenue Equipment | | | | | 41 |
| 42 | | TOTAL OTHER EQUIPMENT | | | | | 42 |
| 43 | | TOTAL ALL EQUIPMENT (FREIGHT PORTION) | | | | | 43 |

Note 1 Data to be reported on line 38, column (b) is the amount reported in Schedule 410, column (f), line 203.
 Note 2 Data to be reported on line 39, column (b) is the amount reported in Schedule 410, column (f), line 222.
 Note 3 Data to be reported on line 40 in column (b) is the amount reported in Schedule 410, column (f), line 306.

415. SUPPORTING SCHEDULE - IMPROVEMENTS TO EQUIPMENT LEASED FROM OTHERS

(Dollars in Thousands)

****SUPPLEMENT****

| Line No. | Cross Check | Lease and rentals (net) (f) | Investment base as of 12/31 | | Accumulated depreciation as of 12/31 | | Line No. |
|----------|-------------|-----------------------------|-----------------------------|-----------------------|--------------------------------------|-----------------------|----------|
| | | | Owned** (g) | Capitalized lease (h) | Owned** (i) | Capitalized lease (j) | |
| 1 | | | | | | | 1 |
| 2 | | | | | | | 2 |
| 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 | | 825 | 103 | | 103 | | 22 |
| 23 | | | | | | | 23 |
| 24 | | 825 | 103 | | 103 | | 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 | | 825 | 103 | | 103 | | 43 |

Note 4 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 5 Depreciation reported on lines 38, 39 and 40 in column (c) is property account 44 and this amount should equal the amount show in column (c), Schedule 335.

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 | 15,150 | | 1,048 | | | 847 | | 2,226 | 19,271 | 1 |
| 2 | | Pick up and delivery, marine line haul | 60,038 | | 8,442 | | | 3,257 | | 32,024 | 103,761 | 2 |
| 3 | | Loading and unloading and local marine | 266,325 | | 7,806 | | | 50,499 | | 1,259 | 325,889 | 3 |
| 4 | | Protective services, total debit and credits | | | | | | | 333 | | 333 | 4 |
| 5 | * | Freight lost or damaged—solely related | | | | | | | | | | 5 |
| 6 | | Fringe benefits | 4,906 | | 1,226 | | | | | | 6,132 | 6 |
| 7 | | Casualty and insurance | 6,847 | | | | | | | | 6,847 | 7 |
| 8 | | Joint facility — Debit | 1 | | | | | | | | 1 | 8 |
| 9 | | Joint facility — Credit | | | | | | | | | | 9 |
| 10 | * | Other | | | | | | | | | | 10 |
| 11 | | TOTAL | 353,267 | | 18,522 | | | 54,603 | 333 | 35,509 | 462,234 | 11 |
| | | | | | | | | | | | | |

450. ANALYSIS OF TAXES
(Dollars in Thousands)

A. Railway Taxes

| Line No. | Cross Check | Kind of tax | Amount | Line No. |
|----------|-------------|---|-----------|----------|
| 1 | | Other than U.S. Government Taxes | 274,980 | 1 |
| | | U. S. Government Taxes | | |
| | | Income Taxes | | |
| 2 | | Normal Tax and Surtax | 451,682 | 2 |
| 3 | | Excess Profits | | 3 |
| 4 | * | Total - Income Taxes L 2 + 3 | 451,682 | 4 |
| 5 | | Railroad Retirement | 384,330 | 5 |
| 6 | | Hospital Insurance | 31,876 | 6 |
| 7 | | Supplemental Annuities | | 7 |
| 8 | | Unemployment Insurance | 16,076 | 8 |
| 9 | | All Other United States Taxes | | 9 |
| 10 | | Total - U. S. Government Taxes | 883,964 | 10 |
| 11 | | Total - Railway Taxes | 1,158,944 | 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 | 6,270,611 | 291,744 | 2 | 6,562,357 | 5 |
| 6 | Other (Specify) -- Tax Benefit Transfer Leases | 7,228 | (691) | | 6,537 | 6 |
| 7 | Reserves, including casualty & other claims | (73,120) | (20,303) | | (93,423) | 7 |
| 8 | Compensation and Benefits | (78,730) | 15,208 | 24,783 | (38,739) | 8 |
| 9 | Miscellaneous | 149,519 | 23,807 | (2) | 173,324 | 9 |
| 10 | | | | | | 10 |
| 11 | | | | | | 11 |
| 12 | | | | | | 12 |
| 13 | | | | | | 13 |
| 14 | | | | | | 14 |
| 15 | | | | | | 15 |
| 16 | | | | | | 16 |
| 17 | | | | | | 17 |
| 18 | | | | | | 18 |
| 19 | TOTALS | 6,275,508 | 309,765 | 24,783 | 6,610,056 | 19 |

NOTES AND REMARKS

Adjustments in column (d) represent primarily AOCI adjustments in accordance with "Compensation- Retirement Benefits" (ASC 715).

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 | |
| 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 |

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 | None | | | | 1 |
| 2 | | | | | 2 |
| 3 | | | | | 3 |
| 4 | | | | | 4 |
| 5 | | | | | 5 |
| 6 | | | | | 6 |
| 7 | | | | | 7 |
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| 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 | None | | | | 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 \$5.6 million, with various banks, under which no borrowings were outstanding as of December 31, 2019.

In May 2019, we renewed and amended our accounts receivable securitization program, increasing the program's maximum borrowing capacity from \$400 million to \$450 million with a term expiring in May 2020. Under this facility, NSR sells substantially all of its eligible third-party receivables to a subsidiary, which in turn may transfer beneficial interest in the receivables to various commercial paper vehicles. Under this facility, we received \$600 million in 2019 and \$50 million in 2018, and paid \$600 million and \$150 million during 2019 and 2018, respectively. We had no amounts outstanding at both December 31, 2019 and 2018, and our available borrowing capacity was \$429 million and \$400 million, respectively.

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. 29 | |
| 2 | 764 | Equipment Obligations and Other Long Term Debt due Within One Year | Sch. 200, L. 38 | 316,177 |
| 3 | 765/767 | Funded Debt Unmatured | Sch. 200, L. 40 | 138,085 |
| 4 | 766 | Equipment Obligations | Sch. 200, L. 41 | |
| 5 | 766.5 | Capitalized Lease Obligations | Sch. 200, L. 42 | 6,160 |
| 6 | 768 | Debt in Default | Sch. 200, L. 43 | |
| 7 | 769 | Accounts Payable; Affiliated Companies | Sch. 200, L. 44 | 9,771,977 |
| 8 | 770.1/770.2 | Unamortized Debt Premium | Sch. 200, L. 45 | 30,579 |
| 9 | | Total Debt | Sum L. 1-8 | 10,262,978 |
| 10 | | Debt Directly Related to Road Property | Note 1. | 8,702 |
| 11 | | Debt Directly Related to Equipment | Note 1. | |
| 12 | | Total Debt Directly Related to Road & Equipment | Sum L. 10 and 11 | 8,702 |
| 13 | | Percent Directly Related to Road | L. 10 div. by L. 12 Whole % + 2 decimals | 100.00% |
| 14 | | Percent Directly Related to Equipment | L. 11 div. by L. 12 Whole % + 2 decimals | 0.00% |
| 15 | | Debt Not Directly Related to Road or Equipment | L. 9 - L. 12 | 10,254,276 |
| 16 | | Road Property Debt (Note 2) | (L. 13 x L. 15) + L. 10 | 10,262,978 |
| 17 | | Equipment Debt (Note 2) | (L. 14 x L. 15) + L. 11 | |

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 | 393,235 * |
| 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 | 393,235 |
| 22 | | Interest Directly Related to Road Property Debt | Note 4 | 360 |
| 23 | | Interest Directly Related to Equipment Debt | Note 4 | |
| 24 | | Interest Not Directly Related to Road or Equipment Property Debt | L. 21 - (L. 22 + L. 23) | 392,875 |
| 25 | | Interest Road Property Debt (Note 5) | L. 22 + (L. 24 x L. 13) | 393,235 |
| 26 | | Interest Equipment Debt (Note 5) | L. 23 + (L. 24 x L. 14) | |
| 27 | | Embedded Rate of Debt Capital - Road Property | L. 25 div. by L. 16 | 3.83% |
| 28 | | Embedded Rate of Debt Capital - Equipment | L. 26 div. by L. 17 | 0.00% |

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 of \$15,992.

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 | |
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| 18 | | | | | | | 18 | |
| NOTES AND REMARKS | | | | | | | | |
| Note 1 - See Note 11 to Schedule 200 on page 10. | | | | | | | | |

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 700

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

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

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

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

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

In Column (b) give the various proportions of each class owned or leased by respondent, listing each proportion once in any grouping.

Canadian mileage should be segregated and identified on separate lines in the various groupings. For each listing, in Column (d) give its entire length (the distances between terminals of single or first main track), and in the following columns the lengths of second main track, all other main tracks, passing tracks, cross-overs and turn-outs, way switching tracks, and yard switching tracks. These classes of tracks are defined as follows: RUNNING TRACKS - Running tracks, passing tracks, cross-overs, etc., including turn-outs from those tracks to clearance points.

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

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

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

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

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

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

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

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

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

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

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

700. MILEAGE OPERATED AT CLOSE OF YEAR

| Line No. | Class | Proportion owned or leased by Respondent | Running tracks, passing tracks, crossovers, etc. | | | | Miles of way switching tracks (g) | Miles of yard switching tracks (h) | TOTAL (i) | Line No. |
|----------|-------|--|--|--------------------------------|------------------------------------|--|-----------------------------------|------------------------------------|-----------|----------|
| | | | Miles of road (c) | Miles of second main track (d) | Miles of all other main tracks (e) | Miles of passing tracks, cross-overs, and turnouts (f) | | | | |
| (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | | |
| 1 | 1 | 100% | 14,644 | 2,578 | 91 | 1,998 | 2,482 | 5,754 | 27,547 | 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 | 23 | 36 | 6 |
| 7 | 1J | 33% | | | | | 3 | 2 | 5 | 7 |
| 8 | | | | | | | | | | 8 |
| 9 | | Total Class 1 | 14,655 | 2,586 | 91 | 2,008 | 2,512 | 5,808 | 27,660 | 9 |
| 10 | | | | | | | | | | 10 |
| 11 | | | | | | | | | | 11 |
| 12 | | | | | | | | | | 12 |
| 13 | 3 | 100% | 23 | 9 | | | 5 | | 37 | 13 |
| 14 | 3A | 100% | | | | | | 2 | 2 | 14 |
| 15 | 3B | 100% | 337 | 177 | | 36 | 46 | 80 | 676 | 15 |
| 16 | 3BJ | 50% | | | | 1 | | 6 | 7 | 16 |
| 17 | | | | | | | | | | 17 |
| 18 | | Total Class 3 | 360 | 186 | | 37 | 51 | 88 | 722 | 18 |
| 19 | | | | | | | | | | 19 |
| 20 | | | | | | | | | | 20 |
| 21 | 4 | 100% | 6 | | | | 1 | 33 | 40 | 21 |
| 22 | | | | | | | | | | 22 |
| 23 | | Total Class 4 | 6 | | | | 1 | 33 | 40 | 23 |
| 24 | | | | | | | | | | 24 |
| 25 | | | | | | | | | | 25 |
| 26 | | | | | | | | | | 26 |
| 27 | | | | | | | | | | 27 |
| 28 | 5 | 100% | 4,430 | 1,152 | 551 | 370 | 135 | 532 | 7,170 | 28 |
| 29 | | | | | | | | | | 29 |
| 30 | | Total Class 5 | 4,430 | 1,152 | 551 | 370 | 135 | 532 | 7,170 | 30 |
| 31 | | | | | | | | | | 31 |
| 32 | | | | | | | | | | 32 |
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| 54 | | | | | | | | | | 54 |
| 55 | | | | | | | | | | 55 |
| 56 | | | | | | | | | | 56 |
| 57 | | TOTAL | 19,451 | 3,924 | 642 | 2,415 | 2,699 | 6,461 | 35,592 | 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 | 36 | | | | | 46 | 82 | 93 | | 3 |
| 4 | | District of Columbia | | | | | | 19 | 19 | | | 4 |
| 5 | | Florida | 95 | | | | | 53 | 148 | | | 5 |
| 6 | | Georgia | 1,697 | | | | | 9 | 1,706 | 381 | | 6 |
| 7 | | Illinois | 849 | | | | | 414 | 1,263 | 63 | | 7 |
| 8 | | Indiana | 1,174 | | 2 | | | 265 | 1,441 | 36 | | 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 | 59 | | | | | 200 | 259 | 37 | | 13 |
| 14 | | Michigan | 115 | | | | | 372 | 487 | 157 | | 14 |
| 15 | | Mississippi | 209 | | | | | 2 | 211 | | | 15 |
| 16 | | Missouri | 344 | | | | | 65 | 409 | | | 16 |
| 17 | | New Jersey | 97 | | | | | 807 | 904 | 29 | | 17 |
| 18 | | New York | 545 | | | | | 294 | 839 | 227 | | 18 |
| 19 | | North Carolina | 823 | | | | | 364 | 1,187 | 418 | | 19 |
| 20 | | Ohio | 1,622 | | 10 | | | 389 | 2,021 | 252 | | 20 |
| 21 | | Pennsylvania | 1,773 | | | | 5 | 642 | 2,420 | 193 | | 21 |
| 22 | | South Carolina | 658 | | | | | 104 | 762 | 37 | | 22 |
| 23 | | Tennessee | 647 | | 136 | | | 46 | 829 | 144 | | 23 |
| 24 | | Virginia | 1,883 | | | | | 107 | 1,990 | 155 | | 24 |
| 25 | | West Virginia | 586 | | | | | 32 | 618 | 233 | | 25 |
| 26 | | | | | | | | | | | | 26 |
| 27 | | | | | | | | | | | | 27 |
| 28 | | | | | | | | | | | | 28 |
| 29 | | | | | | | | | | | | 29 |
| 30 | | | | | | | | | | | | 30 |
| 31 | | | | | | | | | | | | 31 |
| 32 | | TOTAL MILEAGE (single track) | 14,655 | | 360 | | 6 | 4,430 | 19,451 | 2,585 | | 32 |

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 | 2,812 | 35 | | 152 | | 374 | 2,625 | | 2,625 | 11,317,800 | | 1 |
| 2 | | Diesel-passenger units | | | | | | | | | | | | 2 |
| 3 | * | Diesel-multiple purpose units | 1,040 | | | 5 | 9 | 7 | 1,047 | | 1,047 | 2,828,500 | 39 | 3 |
| 4 | * | Diesel-switching units | 42 | | | | | 25 | 17 | | 17 | 23,800 | | 4 |
| 5 | * | TOTAL (lines 1 to 4) units | 3,894 | 35 | | 157 | 9 | 406 | 3,689 | | 3,689 | 14,170,100 | 39 | 5 |
| 6 | | Electric-locomotives | | | | | | | | | | | | 6 |
| 7 | | Other self-powered units | 1 | | | | | 1 | | | | | | 7 |
| 8 | * | TOTAL (lines 5, 6 and 7) | 3,895 | 35 | | 157 | 9 | 407 | 3,689 | | 3,689 | 14,170,100 | 39 | 8 |
| 9 | | Auxiliary units | 178 | | | | | | 178 | | 178 | N/A | | 9 |
| 10 | * | TOTAL LOCOMOTIVE UNITS (lines 8 and 9) | 4,073 | 35 | | 157 | 9 | 407 | 3,867 | | 3,867 | 14,170,100 | 39 | 10 |

* Note: Col (l) - Leased to Others includes 39 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 1/1/1995 (b) | Between 1/1/1995 and 12/31/1999 (c) | Between 1/1/2000 and 12/31/2004 (d) | Between 1/1/2005 and 12/31/2009 (e) | Between 1/1/2010 and 12/31/2014 (f) | During Calendar Year | | | | | Line No. | |
|----------|-------------|--|---------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|----------------------|----------|----------|----------|----------|----------|-----------|
| | | | | | | | | 2015 (g) | 2016 (h) | 2017 (i) | 2018 (j) | 2019 (k) | | TOTAL (l) |
| 11 | * | Diesel | 1,402 | 800 | 661 | 359 | 317 | | 50 | 50 | 15 | 35 | 3,689 | 11 |
| 12 | * | Electric | | | | | | | | | | | | 12 |
| 13 | * | Other self-powered units | | | | | | | | | | | | 13 |
| 14 | * | TOTAL (lines 11 to 13) | 1,402 | 800 | 661 | 359 | 317 | | 50 | 50 | 15 | 35 | 3,689 | 14 |
| 15 | * | Auxiliary units | 141 | | | | 8 | 8 | 16 | 5 | | | 178 | 15 |
| 16 | * | TOTAL LOCOMOTIVE UNITS (Lines 14 and 15) | 1,543 | 800 | 661 | 359 | 325 | 8 | 66 | 55 | 15 | 35 | 3,867 | 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 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 |
| 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) | 28 | | | 1 | | | 29 | | 29 | N/A | | 30 |
| 31 | | Board outfit cars (MWX) | 303 | | | | | | 303 | | 303 | N/A | | 31 |
| 32 | | Derrick and snow removal cars (MWU, MWV, MWV, MWK) | 240 | | | | | 54 | 186 | | 186 | N/A | | 32 |
| 33 | | Dump and ballast cars (MWB, MWD) | 728 | | | | | 132 | 341 | 255 | 596 | N/A | | 33 |
| 34 | | Other maintenance and service equipment cars | 6,034 | 5 | | | 2 | 1,185 | 4,853 | 3 | 4,856 | N/A | | 34 |
| 35 | | TOTAL (lines 30 to 34) | 7,333 | 5 | | 1 | 2 | 1,371 | 5,712 | 258 | 5,970 | 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 __) | 373 | | | | | | 37 |
| 38 | | Equipped box cars (All Code A, Except A_5_) | 8,003 | | | | | | 38 |
| 39 | | Plain gondola cars (All Codes G & J __1, J __2, J __3, J __4) | 16,410 | | | | | | 39 |
| 40 | | Equipped gondola cars (All Code E) | 12,406 | | 200 | | | | 40 |
| 41 | | Covered hopper cars (C __1, C __2, C __3, C __4) | 8,408 | | | | | | 41 |
| 42 | | Open top hopper cars - general service (All Code H) | 7,842 | | | | | | 42 |
| 43 | | Open top hopper cars - special service (J __O, and All Code K) | 3,159 | | | | | | 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 __) | 1,030 | | | | | | 46 |
| 47 | | Flat cars - multi-level (All Code V) | 616 | | | | | | 47 |
| 48 | | Flat cars - general service (F10_, F20_, F30_) | 1 | | | | | | 48 |
| 49 | | Flat cars - other (F_1_, F_2_, F_3_, F_4_, F_5_, F_6_, F_8_, F40_) | 1,646 | | | | | | 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) | | 4 | | | | | 51 |
| 52 | | All other freight cars (A_5_, F_7_, All Code L and Q8 __) | 1,453 | | | | | | 52 |
| 53 | | TOTAL (lines 36 to 52) | 61,347 | 4 | 200 | | | | 53 |
| 54 | | Caboose (All Code M-930) | N/A | 144 | | | | | 54 |
| 55 | | TOTAL (lines 53, 54) | 61,347 | 148 | 200 | | | | 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 in Rule 86 of the AAR Code of Rules Governing Cars in Interchange. Convert the capacity of tank cars to capacity in tons of the commodity which the car is intended to customarily carry.
 5. Time-mileage cars refers to freight cars, other than cabooses, owned or held under lease arrangement, whose interline rental is settled on a per diem and line haul mileage basis under "Code of Car Hire Rules" or would be so settled if used by another railroad.

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

| Line No. | Cross Check | Changes during year (concluded) | Units at close of year | | | | | | Line No. |
|----------|-------------|---|---|--------------------|------------------------|---|----------------|----|----------|
| | | | Units retired from service of respondent whether owned or leased including reclassification (h) | Owned and Used (i) | Leased from others (j) | Units installed | | | |
| | | Total in service of respondent (col. (i) & (j)) | | | | Aggregate capacity of units reported in col. (k) & (l) (see ins. 4) (m) | | | |
| | | Time-mileage cars (k) | | | | | All Others (l) | | |
| 36 | | | | | | | | 36 | |
| 37 | | 361 | 12 | | 12 | | 894 | 37 | |
| 38 | | 2,836 | 4,420 | 747 | 5,167 | | 387,721 | 38 | |
| 39 | | 1,594 | 12,843 | 1,973 | 14,816 | | 1,383,480 | 39 | |
| 40 | | 1,896 | 9,238 | 1,472 | 10,710 | | 1,070,945 | 40 | |
| 41 | | 2,088 | 6,320 | | 6,320 | | 699,985 | 41 | |
| 42 | | 902 | 6,940 | | 6,940 | | 789,907 | 42 | |
| 43 | | 222 | 2,937 | | 2,937 | | 319,870 | 43 | |
| 44 | | | | | | | | 44 | |
| 45 | | | | | | | | 45 | |
| 46 | | 714 | 14 | 302 | 316 | | 53,827 | 46 | |
| 47 | | 154 | 377 | 85 | 462 | | 20,586 | 47 | |
| 48 | | | 1 | | 1 | | 79 | 48 | |
| 49 | | 466 | 1,180 | | 1,180 | | 115,721 | 49 | |
| 50 | | | | | | | | 50 | |
| 51 | | | | 4 | | 4 | 396 | 51 | |
| 52 | | | 1,453 | | 1,453 | | 72,807 | 52 | |
| 53 | | 11,233 | 45,735 | 4,583 | 50,314 | 4 | 4,916,218 | 53 | |
| 54 | | 5 | 139 | | N/A | 139 | N/A | 54 | |
| 55 | | 11,238 | 45,874 | 4,583 | 50,314 | 143 | 4,916,218 | 55 | |

710. INVENTORY OF EQUIPMENT - Continued

| UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS | | | | | | | | | |
|---|-------------|---|---|-----------------------|---|---|--|--|----------|
| Line No. | Cross Check | Class of equipment and car designations (a) | Units in service of respondent at beginning of year | | Changes During the Year | | | | Line No. |
| | | | Per diem (b) | All Others (c) | Units installed | | | | |
| | | | | | New units purchased or built (d) | New units leased from others (e) | Rebuilt units acquired and rebuilt units rewritten into property accounts (f) | All other units, including reclassification and second hand units purchased or leased from others (g) | |
| FLOATING EQUIPMENT | | | | | | | | | |
| 56 | | Self-propelled vessels (tugboats, car ferries, etc.) | N/A | | | | | | 56 |
| 57 | | Non-self-propelled vessels (car floats, lighters, etc.) | N/A | | | | | | 57 |
| 58 | | TOTAL (Lines 56 and 57) | N/A | | | | | | 58 |
| HIGHWAY REVENUE EQUIPMENT | | | | | | | | | |
| 59 | | Chassis (Z_1_, Z_67_, Z_68_, Z_69_) | | 33,865 | | | | | 59 |
| 60 | | Dry van (U_2_, Z_, Z_6_, 1-6) | | 18,753 | 1,250 | | | | 60 |
| 61 | | Flat bed (U_3_, Z_3_) | | 84 | 6 | | | | 61 |
| 62 | | Open bed (U_4_, Z_4_) | | | | | | | 62 |
| 63 | | Mechanical refrigerator (U_5_, Z_5_) | | | | | | | 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) | | 52,702 | 1,256 | | | | 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 | | | | | N/A | | N/A | | 58 |
| 59 | | | 33,865 | | | 33,865 | N/A | | 59 |
| 60 | | | 20,003 | | | 20,003 | 565,135 | | 60 |
| 61 | | | 90 | | | 90 | 1,012 | | 61 |
| 62 | | | | | | | | | 62 |
| 63 | | | | | | | | | 63 |
| 64 | | | | | | | | | 64 |
| 65 | | | | | | | | | 65 |
| 66 | | | | | | | | | 66 |
| 67 | | | | | | | | | 67 |
| 68 | | | | | | | | | 68 |
| 69 | | | | | | | | | 69 |
| 70 | | | 53,958 | | | 53,958 | 566,147 | | 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 4,300 HP | 35 | 7,560 | 97,964 | P | 1 |
| 2 | Standard Steel 600 CU FT Equipped Gondolas (GB) | 200 | 64 | 20,189 | P | 2 |
| 3 | 53' Steel Domestic Containers (U) | 1,256 | 65 | 13,517 | P | 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 |
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| 18 | | | | | | 18 |
| 19 | | | | | | 19 |
| 20 | | | | | | 20 |
| 21 | | | | | | 21 |
| 22 | | | | | | 22 |
| 23 | | | | | | 23 |
| 24 | | | | | | 24 |
| 25 | TOTAL | 1,491 | 7,689 | 131,670 | N/A | 25 |
| REBUILT UNITS | | | | | | |
| 26 | Diesel - Freight Units 6-Axle 4,500 HP | 48 | 9,456 | 87,169 | C | 26 |
| 27 | Diesel - Freight Units 6-Axle 4,400 HP | 53 | 11,448 | 96,802 | S | 27 |
| 28 | Diesel - Freight Units 6-Axle 4,400 HP | 49 | 10,584 | 89,377 | C | 28 |
| 29 | Diesel - Freight Units 6-Axle 4,300 HP | 2 | 432 | 2,626 | S | 29 |
| 30 | Diesel - Multipurpose Units 6-Axle 3,000 HP | 5 | 984 | 2,823 | S | 30 |
| 31 | | | | | | 31 |
| 32 | | | | | | 32 |
| 33 | | | | | | 33 |
| 34 | | | | | | 34 |
| 35 | | | | | | 35 |
| 36 | | | | | | 36 |
| 37 | | | | | | 37 |
| 38 | TOTAL | 157 | 32,904 | 278,797 | N/A | 38 |
| 39 | GRAND TOTAL | 1,648 | 40,593 | 410,467 | N/A | 39 |

GENERAL INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 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 | 8,647 | 41.34 | 52.51 | 30 | 1 |
| 2 | B | 6,742 | 11.68 | 42.01 | 6 | 2 |
| 3 | C | 2,053 | 2.64 | 26.45 | 1 | 3 |
| 4 | D | 2,487 | 0.25 | 16.77 | 25 | 4 |
| 5 | E | 8,493 | N/A | N/A | N/A | 5 |
| 6 | TOTAL | 28,422 | 22.19 | 41.81 | 62 | 6 |
| 7 | F | 3,478 | 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.

750. CONSUMPTION OF DIESEL FUEL
(Dollars in Thousands)

| Locomotives | | | |
|-------------|-----------------------------------|-----------------------------|----------|
| Line No. | Kind of locomotive service (a) | Diesel oil (gallons) (b) | Line No. |
| 1 | Freight | 417,609,465 | 1 |
| 2 | Passenger | | 2 |
| 3 | Yard switching | 32,991,023 | 3 |
| 4 | TOTAL | 450,600,488 | 4 |
| 5 | COST OF FUEL \$(000) | \$ 900,135 | 5 |
| 6 | Work Train | 3,047,172 | 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) | 19,451 | | 1 |
| | | 2. TRAIN MILES - RUNNING (B) | | | |
| 2 | | 2-01 UNIT TRAINS | 10,807,452 | XXXXXX | 2 |
| 3 | | 2-02 WAY TRAINS | 12,326,489 | XXXXXX | 3 |
| 4 | | 2-03 THROUGH TRAINS | 47,454,421 | | 4 |
| 5 | | 2-04 TOTAL TRAIN MILES (lines 2-4) | 70,588,362 | | 5 |
| 6 | | 2-05 MOTORCARS (C) | | | 6 |
| 7 | | 2-06 TOTAL, ALL TRAINS (lines 5, 6) | 70,588,362 | | 7 |
| | | 3. LOCOMOTIVE UNIT MILES (D) | | | |
| | | ROAD SERVICE (E) | | | |
| 8 | | 3-01 UNIT TRAINS | 26,697,813 | XXXXXX | 8 |
| 9 | | 3-02 WAY TRAINS | 19,550,385 | XXXXXX | 9 |
| 10 | | 3-03 THROUGH TRAINS | 112,127,822 | | 10 |
| 11 | | 3-04 TOTAL (lines 8-10) | 158,376,020 | | 11 |
| 12 | | 3-11 TRAIN SWITCHING (F) | 5,466,042 | XXXXXX | 12 |
| 13 | | 3-21 YARD SWITCHING (G) | 11,483,744 | | 13 |
| 14 | | 3-31 TOTAL ALL SERVICES (lines 11, 12, 13) | 175,325,806 | | 14 |
| | | 4. FREIGHT CAR-MILES (thousands) (H) | | | |
| | | 4-01 RR OWNED AND LEASED - LOADED | | | |
| 15 | | 4-010 BOX-PLAIN 40-FOOT | | XXXXXX | 15 |
| 16 | | 4-011 BOX-PLAIN 50-FOOT AND LONGER | 6,354 | XXXXXX | 16 |
| 17 | | 4-012 BOX-EQUIPPED | 80,772 | XXXXXX | 17 |
| 18 | | 4-013 GONDOLA-PLAIN | 159,411 | XXXXXX | 18 |
| 19 | | 4-014 GONDOLA-EQUIPPED | 65,896 | XXXXXX | 19 |
| 20 | | 4-015 HOPPER-COVERED | 92,148 | XXXXXX | 20 |
| 21 | | 4-016 HOPPER-O/T-GENERAL SERVICE | 45,985 | XXXXXX | 21 |
| 22 | | 4-017 HOPPER-O/T-SPECIAL SERVICE | 10,937 | XXXXXX | 22 |
| 23 | | 4-018 REFRIGERATOR-MECHANICAL | 3,116 | XXXXXX | 23 |
| 24 | | 4-019 REFRIGERATOR-NON-MECHANICAL | 3,339 | XXXXXX | 24 |
| 25 | | 4-020 FLAT-TOFC/COFC | 169,108 | XXXXXX | 25 |
| 26 | | 4-021 FLAT-MULTI-LEVEL | 30,268 | XXXXXX | 26 |
| 27 | | 4-022 FLAT-GENERAL SERVICE | 133 | XXXXXX | 27 |
| 28 | | 4-023 FLAT-ALL OTHER | 26,529 | XXXXXX | 28 |
| 29 | | 4-024 ALL OTHER CAR TYPES | 47,996 | XXXXXX | 29 |
| 30 | | 4-025 TOTAL (lines 15-29) | 741,992 | 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 | | | |
| 31 | | 4-110 BOX-PLAIN 40-FOOT | | XXXXXX | 31 |
| 32 | | 4-111 BOX-PLAIN 50-FOOT AND LONGER | 6,455 | XXXXXX | 32 |
| 33 | | 4-112 BOX-EQUIPPED | 80,713 | XXXXXX | 33 |
| 34 | | 4-113 GONDOLA-PLAIN | 154,500 | XXXXXX | 34 |
| 35 | | 4-114 GONDOLA-EQUIPPED | 59,261 | XXXXXX | 35 |
| 36 | | 4-115 HOPPER-COVERED | 95,867 | XXXXXX | 36 |
| 37 | | 4-116 HOPPER-O/T-GENERAL SERVICE | 47,517 | XXXXXX | 37 |
| 38 | | 4-117 HOPPER-O/T-SPECIAL SERVICE | 12,148 | XXXXXX | 38 |
| 39 | | 4-118 REFRIGERATOR-MECHANICAL | 3,215 | XXXXXX | 39 |
| 40 | | 4-119 REFRIGERATOR-NON-MECHANICAL | 2,811 | XXXXXX | 40 |
| 41 | | 4-120 FLAT-TOFC/COFC | 17,399 | XXXXXX | 41 |
| 42 | | 4-121 FLAT-MULTI-LEVEL | 24,710 | XXXXXX | 42 |
| 43 | | 4-122 FLAT-GENERAL SERVICE | 152 | XXXXXX | 43 |
| 44 | | 4-123 FLAT-ALL OTHER | 28,404 | XXXXXX | 44 |
| 45 | | 4-124 ALL OTHER CAR TYPES | 221 | XXXXXX | 45 |
| 46 | | 4-125 TOTAL (lines 31-45) | 533,373 | XXXXXX | 46 |
| | | 4-13 PRIVATE LINE CARS - LOADED (H) | | | |
| 47 | | 4-130 BOX-PLAIN 40-FOOT | | XXXXXX | 47 |
| 48 | | 4-131 BOX-PLAIN 50-FOOT AND LONGER | 7,931 | XXXXXX | 48 |
| 49 | | 4-132 BOX-EQUIPPED | 50,976 | XXXXXX | 49 |
| 50 | | 4-133 GONDOLA-PLAIN | 61,972 | XXXXXX | 50 |
| 51 | | 4-134 GONDOLA-EQUIPPED | 14,329 | XXXXXX | 51 |
| 52 | | 4-135 HOPPER-COVERED | 350,430 | XXXXXX | 52 |
| 53 | | 4-136 HOPPER-O/T-GENERAL SERVICE | 22,192 | XXXXXX | 53 |
| 54 | | 4-137 HOPPER-O/T-SPECIAL SERVICE | 99,075 | XXXXXX | 54 |
| 55 | | 4-138 REFRIGERATOR-MECHANICAL | 2,274 | XXXXXX | 55 |
| 56 | | 4-139 REFRIGERATOR-NON-MECHANICAL | 537 | XXXXXX | 56 |
| 57 | | 4-140 FLAT-TOFC/COFC | 520,079 | XXXXXX | 57 |
| 58 | | 4-141 FLAT-MULTI-LEVEL | 173,858 | XXXXXX | 58 |
| 59 | | 4-142 FLAT-GENERAL SERVICE | 383 | XXXXXX | 59 |
| 60 | | 4-143 FLAT-ALL OTHER | 28,518 | XXXXXX | 60 |
| 61 | | 4-144 TANK UNDER 22,000 GALLONS | 89,738 | XXXXXX | 61 |
| 62 | | 4-145 TANK - 22,000 GALLONS AND OVER | 288,097 | XXXXXX | 62 |
| 63 | | 4-146 ALL OTHER CAR TYPES | 6,249 | XXXXXX | 63 |
| 64 | | 4-147 TOTAL (lines 47-63) | 1,716,638 | 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) | | | |
| 65 | | 4-150 BOX-PLAIN 40-FOOT | | XXXXXX | 65 |
| 66 | | 4-151 BOX-PLAIN 50-FOOT AND LONGER | 6,079 | XXXXXX | 66 |
| 67 | | 4-152 BOX-EQUIPPED | 34,605 | XXXXXX | 67 |
| 68 | | 4-153 GONDOLA-PLAIN | 64,969 | XXXXXX | 68 |
| 69 | | 4-154 GONDOLA-EQUIPPED | 15,516 | XXXXXX | 69 |
| 70 | | 4-155 HOPPER-COVERED | 357,629 | XXXXXX | 70 |
| 71 | | 4-156 HOPPER-O/T-GENERAL SERVICE | 22,700 | XXXXXX | 71 |
| 72 | | 4-157 HOPPER-O/T-SPECIAL SERVICE | 99,711 | XXXXXX | 72 |
| 73 | | 4-158 REFRIGERATOR-MECHANICAL | 2,373 | XXXXXX | 73 |
| 74 | | 4-159 REFRIGERATOR-NON-MECHANICAL | 562 | XXXXXX | 74 |
| 75 | | 4-160 FLAT-TOFC/COFC | 46,602 | XXXXXX | 75 |
| 76 | | 4-161 FLAT-MULTI-LEVEL | 134,929 | XXXXXX | 76 |
| 77 | | 4-162 FLAT-GENERAL SERVICE | 396 | XXXXXX | 77 |
| 78 | | 4-163 FLAT-ALL OTHER | 30,749 | XXXXXX | 78 |
| 79 | | 4-164 TANK UNDER 22,000 GALLONS | 95,803 | XXXXXX | 79 |
| 80 | | 4-165 TANK - 22,000 GALLONS AND OVER | 301,147 | XXXXXX | 80 |
| 81 | | 4-166 ALL OTHER CAR TYPES | 6,523 | XXXXXX | 81 |
| 82 | | 4-167 TOTAL (lines 65-81) | 1,220,293 | XXXXXX | 82 |
| 83 | | 4-17 WORK EQUIPMENT CAR-MILES | 45,055 | XXXXXX | 83 |
| 84 | | 4-18 NO PAYMENT CAR-MILES (I) * | | XXXXXX | 84 |
| | | 4-19 TOTAL CAR-MILES BY TRAIN TYPE | | | |
| 85 | | 4-191 UNIT TRAINS | 1,032,120 | XXXXXX | 85 |
| 86 | | 4-192 WAY TRAINS | 208,364 | XXXXXX | 86 |
| 87 | | 4-193 THROUGH TRAINS | 3,016,867 | XXXXXX | 87 |
| 88 | | 4-194 TOTAL (lines 85-87) | 4,257,351 | XXXXXX | 88 |
| 89 | | 4-20 CABOOSE MILES | 1,809 | XXXXXX | 89 |

* Total number of loaded miles 47,785 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) | | | |
| 98 | | 6-01 ROAD LOCOMOTIVES | 30,429,239 | | 98 |
| | | 6-02 FREIGHT TRAINS, CRS., CNTS. & CABOOSE | | | |
| 99 | | 6-020 UNIT TRAINS | 86,804,947 | XXXXXX | 99 |
| 100 | | 6-021 WAY TRAINS | 16,417,573 | XXXXXX | 100 |
| 101 | | 6-022 THROUGH TRAINS | 266,685,512 | XXXXXX | 101 |
| 102 | | 6-03 PASSENGER-TRAINS, CRS. & CNTS. | | | 102 |
| 103 | | 6-04 NON-REVENUE | 2,810,057 | XXXXXX | 103 |
| 104 | | 6-05 TOTAL (lines 98-103) | 403,147,328 | | 104 |
| | | 7. TONS OF FREIGHT (Thousands) | | | |
| 105 | | 7-01 REVENUE | 358,686 | XXXXXX | 105 |
| 106 | | 7-02 NON-REVENUE | 1,243 | XXXXXX | 106 |
| 107 | | 7-03 TOTAL (lines 105, 106) | 359,929 | XXXXXX | 107 |
| | | 8. TON-MILES OF FREIGHT (Thousands) (L) | | | |
| 108 | | 8-01 REVENUE-ROAD SERVICE | 194,044,925 | XXXXXX | 108 |
| 109 | | 8-02 REVENUE-LAKE TRANSFER SERVICE | | XXXXXX | 109 |
| 110 | | 8-03 TOTAL (lines 108, 109) | 194,044,925 | XXXXXX | 110 |
| 111 | | 8-04 NON-REVENUE-ROAD SERVICE | 459,430 | XXXXXX | 111 |
| 112 | | 8-05 NON-REVENUE-LAKE TRANSFER SERV. | | XXXXXX | 112 |
| 113 | | 8-06 TOTAL (lines 111, 112) | 459,430 | XXXXXX | 113 |
| 114 | | 8-07 TOTAL-REV AND NON-REV (lines 110, 113) | 194,504,355 | XXXXXX | 114 |
| | | 9. TRAIN HOURS (M) | | | |
| 115 | | 9-01 ROAD SERVICE | 3,698,825 | XXXXXX | 115 |
| 116 | | 9-02 TRAIN SWITCHING | 573,744 | XXXXXX | 116 |
| 117 | | 10. TOTAL YARD SWITCHING HOURS (N) | 1,913,957 | | 117 |
| | | 11. TRAIN-MILES WORK TRAINS (O) | | | |
| 118 | | 11-01 LOCOMOTIVES | 566,309 | XXXXXX | 118 |
| 119 | | 11-02 MOTORCARS | | XXXXXX | 119 |
| | | 12. NUMBER OF LOADED FREIGHT CARS (P) | | | |
| 120 | | 12-01 UNIT TRAINS | 1,543,300 | XXXXXX | 120 |
| 121 | | 12-02 WAY TRAINS | 3,863,538 | XXXXXX | 121 |
| 122 | | 12-03 THROUGH TRAINS | 5,964,438 | XXXXXX | 122 |
| 123 | | 13. TOFC/COFC-NO. OF REV. TRLS. & CONT. LOADED & UNLOADED (Q) | 7,500,395 | XXXXXX | 123 |
| 124 | | 14. MULTI-LEVEL CARS-NO. OF MTR. VEH. LOADED AND UNLOADED (Q) | 2,094,746 | XXXXXX | 124 |
| 125 | | 15. TOFC/COFC-NO. OF REV TRLS. PICKED UP AND DELIVERED (R) | 576,101 | XXXXXX | 125 |
| | | 16. REVENUE TONS-MARINE TERMINAL (S) | | | |
| 126 | | 16-01 MARINE TERMINALS - COAL | 19,771,902 | XXXXXX | 126 |
| 127 | | 16-02 MARINE TERMINALS - ORE | | XXXXXX | 127 |
| 128 | | 16-03 MARINE TERMINALS - OTHER | | XXXXXX | 128 |
| 129 | | 16-04 TOTAL (lines 126-128) | 19,771,902 | XXXXXX | 129 |
| | | 17. NUMBER OF FOREIGN PER DIEM CARS ON LINE (T) | | | |
| 130 | | 17-01 SERVICEABLE | 23,042 | XXXXXX | 130 |
| 131 | | 17-02 UNSERVICEABLE | 361 | XXXXXX | 131 |
| 132 | | 17-03 SURPLUS | | XXXXXX | 132 |
| 133 | | 17-04 TOTAL (lines 130-132) | 23,403 | XXXXXX | 133 |
| 134 | | TOFC/COFC - Average No. of Units Loaded Per Car | 4.59 | XXXXXX | 134 |

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, 2019**

| 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 | 16 | | | 1 |
| 2 | | (3) Grading | | | | 2 |
| 3 | | | | | | |
| 4 | | (1) Tunnels and subways | | | | 4 |
| 5 | | (2) Bridges, trestles and culverts | | | | 5 |
| 6 | | (3) Elevated structures | | | | 6 |
| 7 | | (4) Ties | | | | 7 |
| 8 | | (5) 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 | 161,701 | | | 20 |
| 21 | | (27) Signals and interlockers | 1,128,762 | | | 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 | | TOTAL EXPENDITURES FOR ROAD | 1,290,479 | | | 30 |
| 31 | | (52) Locomotives | 204,211 | | | 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 | 2,757 | | | 37 |
| 38 | | (59) Computer systems & word processing equipment | 77,890 | | | 38 |
| 39 | | TOTAL EXPENDITURES FOR EQUIPMENT | 284,858 | | | 39 |
| 40 | | (76) Interest during construction | | | | 40 |
| 41 | | (80) Other elements of investment | | | | 41 |
| 42 | | (90) Construction work in progress | 149,997 | | | 42 |
| 43 | | GRAND TOTAL | 1,725,334 | | | 43 |

NOTES AND REMARKS
(Dollars in Thousands)

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 | \$ 87,650 | \$ 9,000 | \$ 96,650 |
| PTC-220 LLC | \$ 10,594 | \$ 7,380 | \$ 17,974 |

In addition, Conrail, Inc. has invested a total of \$8,650 for the purpose of implementing PTC through December 31, 2019, of which \$11 was made in 2019.

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 | | | | | 16 | 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 | | 10,554 | | 10,554 | 172,255 | 20 |
| 21 | | 103,204 | | 103,204 | 1,231,966 | 21 |
| 22 | | | | | | 22 |
| 23 | | | | | | 23 |
| 24 | | | | | | 24 |
| 25 | | | | | | 25 |
| 26 | | | | | | 26 |
| 27 | | | | | | 27 |
| 28 | | | | | | 28 |
| 29 | | | | | | 29 |
| 30 | | 113,758 | | 113,758 | 1,404,237 | 30 |
| 31 | | 34,828 | 11,465 | 23,363 | 227,574 | 31 |
| 32 | | | | | | 32 |
| 33 | | | | | | 33 |
| 34 | | | | | | 34 |
| 35 | | | | | | 35 |
| 36 | | | | | | 36 |
| 37 | | | | | 2,757 | 37 |
| 38 | | 30,248 | 12,865 | 17,383 | 95,273 | 38 |
| 39 | | 65,076 | 24,330 | 40,746 | 325,604 | 39 |
| 40 | | | | | | 40 |
| 41 | | | | | | 41 |
| 42 | | (73,216) | | (73,216) | 76,781 | 42 |
| 43 | | 105,618 | 24,330 | 81,288 | 1,806,622 | 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 therefore 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 | | | | | | 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 | | | | NOT APPLICABLE - 5% RULE | | 14 | |
| 15 | (22) Storage warehouses | | | | | | 15 | |
| 16 | (23) Wharves and docks | | | | | | 16 | |
| 17 | (24) Coal and ore wharves | | | | | | 17 | |
| 18 | (25) TOFC/COFC terminals | | | | | | 18 | |
| 19 | (26) Communications systems | 161,701 | 172,255 | 5.03% | | | 19 | |
| 20 | (27) Signals and interlockers | 1,128,762 | 1,224,078 | 5.04% | | | 20 | |
| 21 | (29) Power plants | | | | | | 21 | |
| 22 | (31) Power transmission systems | | | | | | 22 | |
| 23 | (35) Miscellaneous structures | | | | | | 23 | |
| 24 | (37) Roadway machines | | | | | | 24 | |
| 25 | (39) Public improvements - construction | | | | | | 25 | |
| 26 | (44) Shop machinery | | | | | | 26 | |
| 27 | (45) Power plant machinery | | | | | | 27 | |
| 28 | All other road accounts | | | | | | 28 | |
| 29 | Amortization (other than def. projects) | | | | | | 29 | |
| 30 | TOTAL ROAD | 1,290,463 | 1,396,333 | 5.04% | | | 30 | |
| 31 | (52) Locomotives | 204,211 | 198,262 | 5.56% | | | 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 | 2,757 | 2,757 | 8.45% | | | 37 | |
| 38 | (59) Computer systems & WP equipment | 77,890 | 70,714 | 7.13% | | | 38 | |
| 39 | TOTAL EQUIPMENT | 284,858 | 271,733 | 6.00% | | | 39 | |
| 40 | GRAND TOTAL | 1,575,321 | 1,668,066 | 5.19% | | | 40 | |

NOTES AND REMARKS

Both owned and lease hold improvement assets are included in columns (b) and (c) above.
See Notes and Remarks on page 82 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.
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) | | |
| ROAD | | | | | | | | | |
| 1 | | (3) Grading | | | | | | | 1 |
| 2 | | (4) Other right-of-way expenditures | | | | | | | 2 |
| 3 | | (5) Tunnels and subways | | | | | | | 3 |
| 4 | | (6) Bridges, trestles and culverts | | | | | | | 4 |
| 5 | | (7) Elevated structures | | | | | | | 5 |
| 6 | | (8) Ties | | | | | | | 6 |
| 7 | | (9) Rail and other track material | | | | | | | 7 |
| 8 | | (11) Ballast | | | | | | | 8 |
| 9 | | (13) Fences, 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 | 21,850 | 8,989 | | | | 30,839 | 19 |
| 20 | | (27) Signals and interlockers | 113,433 | 62,141 | | | | 175,574 | 20 |
| 21 | | (29) Power plants | | | | | | | 21 |
| 22 | | (31) Power transmission systems | | | | | | | 22 |
| 23 | | (35) Miscellaneous structures | | | | | | | 23 |
| 24 | | (37) Roadway machines | | | | | | | 24 |
| 25 | | (39) Public improvements - const. | | | | | | | 25 |
| 26 | | (44) Shop machinery | | | | | | | 26 |
| 27 | | (45) Power plant machinery | | | | | | | 27 |
| 28 | | All other road accounts | | | | | | | 28 |
| 29 | | Amortization (adjustments) | | | | | | | 29 |
| 30 | | TOTAL ROAD | 135,283 | 71,130 | | | | 206,413 | 30 |
| EQUIPMENT | | | | | | | | | |
| 31 | | (52) Locomotives | 39,526 | 11,200 | | 11,465 | | 39,261 | 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 | 530 | 233 | | | | 763 | 37 |
| 38 | | (59) Computer systems & WP equip. | 18,208 | 6,306 | 198 | 12,865 | | 11,847 | 38 |
| 39 | | Amortization (adjustments) | | | | | | | 39 |
| 40 | | TOTAL EQUIPMENT | 58,264 | 17,739 | 198 | 24,330 | | 51,871 | 40 |
| 41 | | GRAND TOTAL | 193,547 | 88,869 | 198 | 24,330 | | 258,284 | 41 |

NOTES AND REMARKS

Both owned and lease hold improvement assets are included in columns (b) and (c) above.
See Notes and Remarks on page 82 for additional information.

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

1. In columns (b) through (e) give, by primary accounts, the amount of investment at the close of the year in property of respondent and each group or class of companies and properties.
2. The amounts for respondent and for each group or class of companies and properties on line 44 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 | 16 | | | | 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 | 172,255 | | | | 20 |
| 21 | | (27) Signals and interlockers | 1,231,966 | | | | 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 | | Leased property (capitalized rentals) | | | | | 29 |
| 30 | | Other (specify and explain) | | | | | 30 |
| 31 | | TOTAL ROAD | 1,404,237 | | | | 31 |
| 32 | | (52) Locomotives | 227,574 | | | | 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 | 2,757 | | | | 38 |
| 39 | | (59) Computer systems & WP equipment | 95,273 | | | | 39 |
| 40 | | TOTAL EQUIPMENT | 325,604 | | | | 40 |
| 41 | | (76) Interest during construction | | | | | 41 |
| 42 | | (80) Other elements of investment | | | | | 42 |
| 43 | | (90) Construction work in progress | 76,781 | | | | 43 |
| 44 | | GRAND TOTAL | 1,806,622 | | | | 44 |

NOTES AND REMARKS

See Notes and Remarks on page 82 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 Board'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) | | | |
| | | ADMINISTRATION: | | | | | | | | |
| 1 | | Track | | | | | | | 1 | |
| 2 | | Bridge and Building | | | 2 | | | 2 | 2 | |
| 3 | | Signal | | 13 | 27 | 28 | | 68 | 3 | |
| 4 | | Communication | | | | | | | 4 | |
| 5 | | Other | | | | | | | 5 | |
| | | TOTAL ADMINISTRATION | | 13 | 29 | 28 | | 70 | | |
| | | 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 | | (2) | | | | (2) | 21 | |
| 22 | | Signals and Interlockers - Switching | | | | | | | 22 | |
| 23 | | Communications Systems | | (2) | 1 | | | (1) | 23 | |
| 24 | | Power Systems | | | | | | | 24 | |
| 25 | | Highway Grade Crossings- Running | | | | | | | 25 | |
| 26 | | Highway Grade Crossings- Switching | | | | | | | 26 | |
| 27 | | Station and Office Buildings | | | 91 | | | 91 | 27 | |
| 28 | | Shop Buildings - Locomotives | | | 20 | | | 20 | 28 | |
| 29 | | Shop Buildings - Freight Cars | | | 22 | | | 22 | 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) | | | | |
| | | REPAIR AND MAINTENANCE - Continued: | | | | | | | | | |
| 101 | | Locomotive Servicing Facilities | | | | | | | | 101 | |
| 102 | | Miscellaneous Buildings and Structures | | | 30 | | | 30 | | 30 | 102 |
| 103 | | Coal Terminals | | | 11 | | | 11 | | 11 | 103 |
| 104 | | Ore Terminals | | | | | | | | | 104 |
| 105 | | Other Marine Terminals | | | | | | | | | 105 |
| 106 | | TOFC/COFC Terminals | | | 11 | | | 11 | | 11 | 106 |
| 107 | | Motor Vehicle Loading and Distribution Facilities | | | | | | | | | 107 |
| 108 | | Facilities for Other Specialized Service Operations | | | 6 | | | 6 | | 6 | 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 | | | 220 | | | 220 | | 220 | 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 | | | | | | | | | 130 |
| 131 | * | Other Rents - Debit -Switching | | | | | | | | | 131 |
| 132 | * | Other Rents - Debit -Other | | | | | | | | | 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 | | | | 71,130 | 71,130 | 71,130 | 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 | | (4) | 412 | 71,130 | 71,538 | 71,538 | | |
| 151 | | TOTAL WAY AND STRUCTURES | | 9 | 441 | 71,158 | 71,608 | 71,608 | 151 | |
| | | EQUIPMENT: | | | | | | | | |
| | | LOCOMOTIVES: | | | | | | | | |
| 201 | | Administration | | | | | | | 201 | |
| 202 | * | Repair and Maintenance | | 419 | 409 | | 828 | 828 | 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 | | | | 11,200 | 11,200 | 11,200 | 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)

90

| 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 | | 419 | 409 | 11,200 | 12,028 | | 12,028 | 219 |
| 220 | | FREIGHT CARS: Administration | | | 15 | | 15 | | 15 | 220 |
| 221 | * | Repair and Maintenance | | | 1 | | 1 | | 1 | 221 |
| 222 | * | Machinery Repair | | | | | | | | 222 |
| 223 | | Equipment Damaged | | | | | | | | 223 |
| 224 | | Fringe Benefits | | | | | | | | 224 |
| 225 | | Other Casualties and Insurance | | | | | | | | 225 |
| 226 | * | Lease Rentals - Debit | | | | | | | | 226 |
| 227 | * | Lease Rentals - (Credit) | | | | | | | | 227 |
| 228 | | Joint Facility Rent - Debit | | | | | | | | 228 |
| 229 | * | Joint Facility Rent - (Credit) | | | | | | | | 229 |
| 230 | * | Other Rents - Debit | | | | | | | | 230 |
| 231 | * | Other Rents - (Credit) | | | | | | | | 231 |
| 232 | * | Depreciation | | | | | | | | 232 |
| 233 | | Joint Facility - Debit | | | | | | | | 233 |
| 234 | | Joint Facility - (Credit) | | | | | | | | 234 |
| 235 | * | Repairs Billed to Others - (Credit) | | | | | | | | 235 |
| 236 | | Dismantling Retired Property | | | | | | | | 236 |
| 237 | | Other | | | | | | | | 237 |
| 238 | | TOTAL FREIGHT CARS | | | 16 | | 16 | | 16 | 238 |
| 301 | | OTHER EQUIPMENT: Administration | | | | | | | | 301 |
| 302 | * | Repair and Maintenance: Trucks, Trailers and Containers - Revenue Service | | | 13 | | 13 | | 13 | 302 |
| 303 | * | Floating Equipment - Revenue Service | | | | | | | | 303 |
| 304 | * | Passenger and Other Revenue Equipment | | | | | | | | 304 |
| 305 | * | Computer Systems and Word Processing Equipment | | 2 | 3,886 | | 3,888 | | 3,888 | 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 Supplement to Railroad Annual Report R-1

Road Initials: NS Rail
Year 2019

PTC 410. RAILWAY OPERATING EXPENSES - Continued

(Dollars in Thousands)

PTC Supplement to Railroad Annual Report R-1

Road Initials: NS Rail Year 2019

| 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 | | | | 6,539 | 6,539 | | 6,539 | 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 | | 2 | 3,905 | 6,539 | 10,446 | | 10,446 | 323 |
| 324 | | TOTAL EQUIPMENT | | 421 | 4,330 | 17,739 | 22,490 | | 22,490 | 324 |
| | | TRANSPORTATION: | | | | | | | | |
| | | TRAIN OPERATIONS: | | | | | | | | |
| 401 | | Administration | | | 19 | | 19 | | 19 | 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 | | | 19 | | 19 | | 19 | 419 |

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

92

| 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 | | | | | | | 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 | |
| | | TRAIN AND YARD OPERATIONS COMMON: | | | | | | | | |
| 501 | | Cleaning Car Interiors | | | | | | | 501 | |
| 502 | | Adjusting and Transferring Loads | | | | | | | 502 | |
| 503 | | Car Loading Devices and Grain Doors | | | | | | | 503 | |
| 504 | | Freight Lost or Damaged - All Other | | | | | | | 504 | |
| 505 | | Fringe Benefits | | | | | | | 505 | |
| 506 | | TOTAL TRAIN AND YARD OPERATIONS COMMON | | | | | | | 506 | |
| | | SPECIALIZED SERVICES OPERATIONS: | | | | | | | | |
| 507 | * | Administration | | | 180 | | 180 | | 180 | 507 |
| 508 | * | Pickup and Delivery and Marine Line Haul | | | | | | | | 508 |
| 509 | * | Loading and Unloading and Local Marine | | | | | | | | 509 |
| 510 | * | Protective Services | | | | | | | | 510 |
| 511 | * | Freight Lost or Damaged - Solely Related | | | | | | | | 511 |
| 512 | * | Fringe Benefits | | | | | | | | 512 |
| 513 | * | Casualties and Insurance | | | | | | | | 513 |
| 514 | * | Joint Facility - Debit | | | | | | | | 514 |
| 515 | * | Joint Facility - (Credit) | | | | | | | | 515 |
| 516 | * | Other | | | | | | | | 516 |
| 517 | * | TOTAL SPECIALIZED SERVICES OPERATIONS | | | 180 | | 180 | | 180 | 517 |

PTC Supplement to Railroad Annual Report R-1

Road Initials: NS Rail Year 2019

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) | | | | |
| | | ADMINISTRATIVE SUPPORT OPERATIONS: | | | | | | | | | |
| 518 | | 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 | | | 199 | | | 199 | | 199 | 528 |
| | | GENERAL AND ADMINISTRATIVE: | | | | | | | | | |
| 601 | | Officers - General Administration | | | | | | | | | 601 |
| 602 | | Accounting, Auditing and Finance | | | | | | | | | 602 |
| 603 | | Management Services and Data Processing | | 1 | 743 | | | 744 | | 744 | 603 |
| 604 | | Marketing | | | 34 | | | 34 | | 34 | 604 |
| 605 | | Sales | | | | | | | | | 605 |
| 606 | | Industrial Development | | | | | | | | | 606 |
| 607 | | Personnel and Labor Relations | | | 73 | | | 73 | | 73 | 607 |
| 608 | | Legal and Secretarial | | | 11 | | | 11 | | 11 | 608 |
| 609 | | Public Relations and Advertising | | | 14 | | | 14 | | 14 | 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 | | | | | | | | | 615 |
| 616 | | Joint Facility - Debit | | | | | | | | | 616 |
| 617 | | Joint Facility - (Credit) | | | | | | | | | 617 |
| 618 | | Other | | | 16,208 | | 1 | 16,209 | | 16,209 | 618 |
| 619 | | TOTAL GENERAL AND ADMINISTRATIVE | | 1 | 17,083 | | 1 | 17,085 | | 17,085 | 619 |
| 620 | * | TOTAL CARRIER OPERATING EXPENSES | | 431 | 22,053 | | 88,898 | 111,382 | | 111,382 | 620 |

| PTC 700. MILEAGE OPERATED AT CLOSE OF YEAR | | | | | | | | | | |
|--|--|--|---|----------------------------|--------------------------------|--|-------------------------------|--------------------------------|-------|----------|
| Line No. | Class | Proportion owned or leased by respondent | Running tracks, passing tracks, cross-overs, etc. | | | | Miles of way switching tracks | Miles of yard switching tracks | TOTAL | Line No. |
| | | | Miles of road | Miles of second main track | Miles of all other main tracks | Miles of passing tracks, cross-overs, and turnouts | | | | |
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | |
| 1 | 1 | 100% | 6,884 | 1,909 | 23 | | | | 8,816 | 1 |
| 2 | | | | | | | | | | 2 |
| 3 | | | | | | | | | | 3 |
| 4 | | | | | | | | | | 4 |
| 5 | | | | | | | | | | 5 |
| 6 | | | | | | | | | | 6 |
| 7 | | | | | | | | | | 7 |
| 8 | | | | | | | | | | 8 |
| 9 | | | | | | | | | | 9 |
| 10 | | Total Class 1 | 6,884 | 1,909 | 23 | | | | 8,816 | 10 |
| 11 | | | | | | | | | | 11 |
| 12 | | | | | | | | | | 12 |
| 13 | | | | | | | | | | 13 |
| 14 | | | | | | | | | | 14 |
| 15 | 3 | 100% | 9 | | | | | | 9 | 15 |
| 16 | 3B | 100% | 336 | 176 | | | | | 512 | 16 |
| 17 | | | | | | | | | | 17 |
| 18 | | | | | | | | | | 18 |
| 19 | | Total Class 3 | 345 | 176 | | | | | 521 | 19 |
| 20 | | | | | | | | | | 20 |
| 21 | | | | | | | | | | 21 |
| 22 | | | | | | | | | | 22 |
| 23 | | | | | | | | | | 23 |
| 24 | | | | | | | | | | 24 |
| 25 | | | | | | | | | | 25 |
| 26 | | | | | | | | | | 26 |
| 27 | | | | | | | | | | 27 |
| 28 | | | | | | | | | | 28 |
| 29 | 5 | 100% | 200 | 82 | | | | | 282 | 29 |
| 30 | | | | | | | | | | 30 |
| 31 | | Total Class 5 | 200 | 82 | | | | | 282 | 31 |
| 32 | | | | | | | | | | 32 |
| 33 | | | | | | | | | | 33 |
| 34 | | | | | | | | | | 34 |
| 35 | | | | | | | | | | 35 |
| 36 | | | | | | | | | | 36 |
| 37 | | | | | | | | | | 37 |
| 38 | | | | | | | | | | 38 |
| 39 | | | | | | | | | | 39 |
| 40 | | | | | | | | | | 40 |
| 41 | | | | | | | | | | 41 |
| 42 | | | | | | | | | | 42 |
| 43 | | | | | | | | | | 43 |
| 44 | | | | | | | | | | 44 |
| 45 | | | | | | | | | | 45 |
| 46 | | | | | | | | | | 46 |
| 47 | | | | | | | | | | 47 |
| 48 | | | | | | | | | | 48 |
| 49 | | | | | | | | | | 49 |
| 50 | | | | | | | | | | 50 |
| 51 | | | | | | | | | | 51 |
| 52 | | | | | | | | | | 52 |
| 53 | | | | | | | | | | 53 |
| 54 | | | | | | | | | | 54 |
| 55 | | | | | | | | | | 55 |
| 56 | | | | | | | | | | 56 |
| 57 | TOTAL | | 7,429 | 2,167 | 23 | | | | 9,619 | 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**

96

| Line No. | 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 | 2,644 | 93 | | | | 2,737 | | 2,737 | (HP) 11,702,900 | | 1 | |
| 2 | | Diesel-passenger units | | | | | | | | | | | 2 | |
| 3 | | Diesel-multiple purpose units | 344 | 131 | | | | 475 | | 475 | 1,293,000 | 25 | 3 | |
| 4 | | Diesel-switching units | | | | | | | | | | | 4 | |
| 5 | * | TOTAL (lines 1 to 4) units | 2,988 | 224 | | | | 3,212 | | 3,212 | 12,995,900 | 25 | 5 | |
| 6 | * | Electric locomotives | | | | | | | | | | | 6 | |
| 7 | * | Other self-powered units | | | | | | | | | | | 7 | |
| 8 | * | TOTAL (lines 5, 6, and 7) | 2,988 | 224 | | | | 3,212 | | 3,212 | 12,995,900 | 25 | 8 | |
| 9 | * | Auxiliary units | 5 | | | | | 5 | | 5 | | | 9 | |
| 10 | * | TOTAL LOCOMOTIVE UNITS (lines 8 and 9) | 2,993 | 224 | | | | 3,217 | | 3,217 | 12,995,900 | 25 | 10 | |

* Note: Col (l) - Leased to Others includes 25 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 1/1/1995 (b) | During Calendar Year | | | | TOTAL (l) | Line No. | | | | |
|----------|-------------|--|---------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-----------|----------|----------|----------|----------|----------|
| | | | | Between 1/1/1995 and 12/31/1999 (c) | Between 1/1/2000 and 12/31/2004 (d) | Between 1/1/2005 and 12/31/2009 (e) | Between 1/1/2010 and 12/31/2014 (f) | | | 2016 (g) | 2016 (h) | 2017 (i) | 2018 (j) |
| 11 | * | Diesel | | | | | | 748 | 1,606 | 634 | 224 | 3,212 | 11 |
| 12 | * | Electric | | | | | | | | | | | 12 |
| 13 | * | Other self-powered units | | | | | | | | | | | 13 |
| 14 | * | TOTAL (lines 11 to 13) | | | | | | 748 | 1,606 | 634 | 224 | 3,212 | 14 |
| 15 | * | Auxiliary units | | | | | | | | 5 | | 5 | 15 |
| 16 | * | TOTAL LOCOMOTIVE UNITS (lines 14 and 15) | | | | | | 748 | 1,606 | 639 | 224 | 3,217 | 16 |

NOTES AND REMARKS

PTC Supplement to Railroad Annual Report R-1

Road Initials: NS Rail Year 2019

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) | | | | | | | | | | | | |
| 22 | | Nonpassenger carrying cars (All class B, CSB, M, PSA, IA) | | | | | | | | | | | 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) | | | | | | | | | | | 30 | |
| 31 | | Board outfit cars (MWX) | | | | | | | | | | | 31 | |
| 32 | | Derrick & snow removal cars (MWU, MWV, MWW, MWK) | | | | | | | | | | | 32 | |
| 33 | | Dump and ballast cars (MWB, MWD) | | | | | | | | | | | 33 | |
| 34 | | Other maintenance and service equipment cars | | | | | | | | | | | 34 | |
| 35 | | TOTAL (Lines 30 to 34) | | | | | | | | | | | 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) | Time-mileage cars (b) | All Others (c) | Units installed | | | | Line No. |
|----------|-------------|---|--------------------------|-------------------|-------------------------------------|--|--|--|----------|
| | | | | | 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__) | | | | | | | 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 | Units at close of year | | | | | | | |
|----------|-------------|---|--------------------|------------------------|---|----------------|--|----------------------|----------|
| | | Changes during year (concluded) | | 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) | Line No. |
| | | Units retired from service of respondent whether owned or leased including reclassification (h) | Owned and used (i) | | Time-mileage cars (k) | All Others (l) | | | |
| | | | | | | | | | |
| 36 | | | | | | | | | 36 |
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| 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 (a) | Units in service of respondent at beginning of year | | Changes during the year | | | | Line No. |
|----------|-------------|--|---|----------------|-----------------------------------|-----------------------------|---|--|----------|
| | | | Per (b) | All (c) | Units installed | | | | |
| | | | | | New units purchased or (d) | New units leased (e) | Rebuilt units acquired and rebuilt units rewritten into accounts (f) | All other units, including reclassification and second hand units purchased or leased from others (g) | |
| | | FLOATING EQUIPMENT | | | | | | | |
| 56 | | Self-propelled vessels (tugboats, car ferries, etc.) | N/A | | | | | | 56 |
| 57 | | Non-self-propelled vessels (car floats, lighters, etc.) | N/A | | | | | | 57 |
| 58 | | TOTAL (Lines 56 and 57) | N/A | | | | | | 58 |
| | | HIGHWAY REVENUE EQUIPMENT | | | | | | | |
| 59 | | Chassis (Z1_, Z67_, Z68_, 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 | | | | | | |
| | | 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) | Line No. |
| | | | | | Per diem (k) | All Others (l) | | | |
| 56 | | | | | N/A | | | | 56 |
| 57 | | | | | N/A | | | | 57 |
| 58 | | | | | N/A | | | | 58 |
| 59 | | | | | | | | | 59 |
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| 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 | Diesel-Freight Locomotives | 93 | 18,312 | 3,689 | P | 1 |
| 2 | Diesel-Multipurpose Locomotives | 131 | 20,668 | 7,411 | P | 2 |
| 3 | | | | | | 3 |
| 4 | | | | | | 4 |
| 5 | | | | | | 5 |
| 6 | | | | | | 6 |
| 7 | | | | | | 7 |
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| 22 | | | | | | 22 |
| 23 | | | | | | 23 |
| 24 | | | | | | 24 |
| 25 | TOTAL | 224 | 38,981 | 11,100 | N/A | 25 |

REBUILT UNITS

| | | | | | | |
|----|--------------------|-----|--------|--------|-----|----|
| 26 | | | | | | 26 |
| 27 | | | | | | 27 |
| 28 | | | | | | 28 |
| 29 | | | | | | 29 |
| 30 | | | | | | 30 |
| 31 | | | | | | 31 |
| 32 | | | | | | 32 |
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| 34 | | | | | | 34 |
| 35 | | | | | | 35 |
| 36 | | | | | | 36 |
| 37 | | | | | | 37 |
| 38 | TOTAL | N/A | N/A | N/A | N/A | 38 |
| 39 | GRAND TOTAL | 224 | 38,981 | 11,100 | N/A | 39 |

NOTES AND REMARKS

GENERAL INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE PTC 720

- 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.

- 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).
- 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.
- 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

- 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 | 6,253 | 40.08 | 53.33 | 27 | 1 |
| 2 | B | 2,875 | 12.96 | 47.77 | 4 | 2 |
| 3 | C | 193 | 3.67 | 45.21 | | 3 |
| 4 | D | 16 | 0.27 | 32.54 | | 4 |
| 5 | E | | N/A | N/A | N/A | 5 |
| 6 | TOTAL | 9,337 | 30.91 | 51.41 | 31 | 6 |
| 7 | F | 2,635 | N/A | N/A | N/A | 7 |
| 8 | Potential abandonments | | | | | 8 |

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

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 | | | | | | |
| 4 | | | | | | 4 |
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NOTES AND REMARKS

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 over the accounting of the respondent)

State of Virginia
County of Norfolk

Jason A. Zampi 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 relate 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 business and affairs of the above-named respondent during the period of time from and including January 1, 2019, to and including December 31, 2019.

Jason A. Zampi
(Signature of affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and county above named, this 20 day of March, 20 20.
My commission expires June 30, 2020

SHIRLEY ALICE DANNENHOFFER
NOTARY PUBLIC
COMMONWEALTH OF VIRGINIA
MY COMMISSION EXPIRES JUNE 30, 2020
COMMISSION # 242270

Shirley Alice Dannenhofer
(Signature of officer authorized to administer oaths)

SUPPLEMENTAL OATH

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

State of Georgia
County of Fulton

James A. Squires 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, 2019, to and including December 31, 2019.

James A. Squires
(Signature of affiant)

Subscribed and sworn to before me, a Royce Collins in and for the State and county above named, this 23rd day of March, 20 20.
My commission expires August 13, 2021

Royce Collins
Notary Public, Bibb County, Georgia
My Comm. Expires 08/13/2021

Royce Collins
(Signature of officer authorized to administer oaths)

**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 | | | | | File Number of Letter, Fax, or Telegram | | | | | | | |
| | Month | Day | Year | | | Month | Day | Year | | | | | |
| Name | | | | Page | | | | | | | | | |
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CORRECTIONS

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

Large empty rectangular area for explanatory remarks.

INDEX

| | Page No. |
|---|----------|
| Accumulated depreciation | |
| Road and equipment leased | |
| From others | 36 |
| Improvements to | 36 |
| Owned and used | 35 |
| Accumulated Other Comprehensive Income | 6 |
| Accruals - railway tax | |
| Analysis of taxes | 55 |
| Application of funds - source | 21 |
| Balance sheet | 5-9 |
| Car, locomotive, and floating equipment - classification | 67-73 |
| Statement of Cash Flows | 21-22 |
| Company service equipment | 69 |
| Compensating balances and short-term borrowing arrangements | 58 |
| Consumption of fuel by motive power units | 76 |
| Contingent assets and liabilities | 8 |
| Debt holdings | 59 |
| Depreciation base and rates | |
| Road and equipment leased | |
| From others | 34 |
| Improvements to | 32-33 |
| Owned and used | 34 |
| Electric locomotive equipment at close of year | 68 |
| Equipment - classified | 66-71 |
| Company service | 69 |
| Floating | 72-73 |
| Freight-train cars | 70-71 |
| Highway revenue equipment | 72-73 |
| Passenger-train cars | 66-67 |
| Inventory | 66-71 |
| Owned-Not in service of respondent | 67 |
| Equipment leased, depreciation base and rate | |
| From others | 34 |
| Reserve | 36 |
| Equipment owned, depreciation base rates | 34 |
| Reserve | 35 |
| Expenses - railway operating | 41-47 |
| Extraordinary items | 17 |
| Federal income taxes | 55 |
| Financial position - changes in | 21-22 |
| Floating equipment | 70-71 |
| Freight cars loaded | 79 |
| Freight-train cars | 68-69 |
| Freight car-miles | 79 |
| Fuel consumed - diesel | 76 |
| Cost | 76 |
| Funded debt (see Debt holdings) | |
| Guaranties and suretyships | 57 |
| Identity of respondent | 2 |
| Investments in common stock of affiliated companies | 30 |
| Investments and advances of affiliated companies | 26-29 |
| Railway property used in transportation service | 38-39 |
| Road and equipment | 32-33 |
| Changes during year | 32-33 |
| Leased property - improvements made during the year | 32-33 |
| Locomotive equipment | 66 |
| Electric and other | 66 |
| Consumption of diesel fuel | 66 |
| Locomotive unit miles | 77 |

INDEX (Continued)

| | Page No. |
|---|----------|
| Mileage - Average of road operated | 73 |
| Motorcar car miles | 75 |
| Motor rail cars owned or leased | 66 |
| Net income | 17 |
| Oath | 105 |
| Operating expenses (see Expenses) | |
| Revenues (see Revenues) | |
| Statistics (see Statistics) | |
| Ordinary income | 16 |
| Other Comprehensive Income | 19 |
| Private line cars loaded | 80 |
| Private line cars empty | 81 |
| Rails | |
| Charges to operating expenses | 41 |
| Railway - Operating expenses | 41-47 |
| Railway - Operating revenues | 16 |
| Results of operations | 16-17 |
| Retained income unappropriated | 20 |
| Miscellaneous items in accounts for year | 11 |
| Revenues | |
| Freight | 16 |
| Passenger | 16 |
| Road and Equipment - Investment in | 32-33 |
| Improvements to leased property | 32-33 |
| Reserve | 36 |
| Owned - Depreciated base and rates | 34 |
| Reserve | 35 |
| Used - Depreciated base and rates | 34 |
| Reserve | 35 |
| Road - Mileage operated at close of year | 64 |
| By states and territories | 64 |
| Securities (see Investments) | |
| Short-term borrowings arrangements - compensating balances and | 57 |
| Sinking funds | 7 |
| Sources and application of working capital | 21-22 |
| Specialized service subschedule | 53 |
| Statement of changes in financial position | 21-22 |
| Stock | |
| Number of security holders | 3 |
| Total voting power | 3-4 |
| Value per share | 3 |
| Voting rights | 3 |
| Suretyships - Guaranties and | 57 |
| Tracks operated at close of year | 64 |
| Miles of, at close of year | 66 |
| Track and traffic conditions | 73 |
| Train hours, yard switching | 77 |
| Train miles | 77 |
| Tons of freight | 80 |
| Ton-miles of freight | 80 |
| TOFC/COFC number of revenue trailers and containers - loaded & unloaded | 80 |
| Voting powers and elections | 3 |
| Supporting schedule - improvements to equipment leased from others | 53A-53B |
| Supporting schedule - Equipment | 52-53 |