

# **Class I Railroad Annual Report**

**CSX Transportation, Inc.**

**500 Water Street, C729**

**Jacksonville, FL 32202**



**To The  
Surface Transportation Board  
For the Year Ending December 29, 2006**

# NOTICE

1. This report is required for every class I railroad operating within the United States. Three copies of this Annual Report should be completed. Two of the copies must be filed with the Surface Transportation Board, Office of Economics, Environmental Analysis, and Administration, The Mercury Building, 1925 K St. N.W., Suite 500, Washington, DC 20423, by March 31 of the year following that for which the report is made. One copy should be retained by the carrier.
2. Every inquiry must be definitely answered. Where the word "none" truly and completely states the fact, it should be given as the answer. If any inquiry is inapplicable, the words "not applicable" should be used.
3. Wherever the space provided in the schedules is insufficient to permit a full and complete statement of the requested information, inserts should be prepared and appropriately identified by the number of the schedule.
4. All entries should be made in a permanent black ink or typed. Those of a contrary character must be indicated in parenthesis. Items of an unusual character must be indicated by appropriate symbols and explained in footnotes.
5. Money items, except averages, throughout the annual report form should be shown in thousands of dollars adjusted to accord with footings. Totals for amounts reported in subsidiary accounts included in supporting schedules must be in agreement with related primary accounts. For purposes of rounding, amounts of \$500 but less than \$1,000 should be raised to the nearest thousand dollars, and amounts of less than \$500 should be lowered.
6. Except where the context indicates some other meaning, the following terms when used in this Form have the following meanings:
  - (a) Board means *Surface Transportation Board* .
  - (b) Respondent means *the person or corporation in whose behalf the report is made* .
  - (c) Year means *the year ended December 31 for which the report is being made*.
  - (d) Close of the Year means *the close of business on December 31 for the year in which the report is being made*. If the report is made for a shorter period than one year, it means *the close of the period covered by the report* .
  - (e) Beginning of the Year means *the beginning of business on January 1 of the year for which the report is being made*. If the report is made for a shorter period than one year, it means *the beginning of that period* .
  - (f) Preceding Year means *the year ended December 31 of the year preceding the year for which the report is made* .
  - (g) The Uniform System of Accounts for Railroad Companies means *the system of accounts in Part 1201 of Title 49, Code of Federal Regulations, as amended*.
7. The ICC Termination Act of 1995 abolished the Interstate Commerce Commission and replaced it with the Surface Transportation Board. Any references to the Interstate Commerce Commission or Commission contained in this report refer to the Surface Transportation Board.
8. Any references to the Bureau of Accounts or the Office of Economics contained in this report refer to the Office of Economics, Environmental Analysis, and Administration of the Surface Transportation Board.
9. NOTE - An additional line has been added to Schedule 755 (Line 134) effective with the 2004 R-1. Also note that the instructions for completion of Schedule 755 now have two additional items (Instructions U and V).
10. NOTE - The columns in Schedule 710-Distribution of Locomotive Units In Service of Respondent At Close Of Year, Disregarding Year of Rebuilding have been revised to reflect new five year periods.
11. NOTE - The following supplemental information about STB information collections is provided in compliance with OMB requirements and pursuant to the Paperwork Reduction Act of 1995, 44 U.S.C. 3501 et seq.:

## **Supplemental Information about the Annual Report (R-1)**

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

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

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

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

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

#### **Supplemental Information about the Quarterly Condensed Balance Sheet (CBS)**

This information collection is mandatory under 49 CFR 1243.2.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

For Index, See Back of Form

**ANNUAL REPORT  
OF**

**CSX TRANSPORTATION, INC.**

**TO THE  
SURFACE TRANSPORTATION BOARD  
FOR THE  
YEAR ENDED DECEMBER 29, 2006**

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

(Name)     **Melissa Mucha**     (Title)     **AVP Assistant Controller**    

(Telephone number)     **(904) 359-3494**      
(Area code) (Telephone number)

(Office address)     **500 Water Street, 2nd Floor C729, Jacksonville, Florida 32202-4423**      
(Street and number, city, state, and ZIP code)

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**SPECIAL NOTICE**

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

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

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

**A. SCHEDULES OMITTED BY RESPONDENT**

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

Page	Schedule No.	Title
		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 the exact name of the respondent in full. 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 under a general law, give date of filing certificate of organization; if a reorganization has been effected, give date of reorganization. If a receivership or other trust, also give 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: CSX Transportation, Inc. (consolidated)
- 2. Date of incorporation: January 26, 1944
- 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 of trustees:  
Virginia  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- 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:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**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: \_\_\_\_\_ (date)
- No annual report to stockholders is prepared.

**C. VOTING POWERS AND ELECTIONS**

1. State the par value of each share of stock: Common \$ 20 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  No
3. Are voting rights proportional to holdings:  Yes  No. If no, state in a footnote the relation between holdings and corresponding voting rights.
4. Are voting rights attached to any securities other than stocks:  Yes  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, indicating 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?  Yes  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.

**Books Not Closed**

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. 9,061,038 votes, as of December 29, 2006 (date).
8. State the total number of stockholders of record, as of the date shown in answer to inquiry No. 7. One stockholders.
9. Give the names of the 30 security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent (if within one year prior to the actual filing of this report), had the highest voting powers in the respondent, showing for each, his or her address, the number of votes he or she 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 or she was entitled, with respect to securities held by him or her, 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 agreements, give as supplemental information the names and addresses of the 30 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 30 security holders at the close of the year.

Line No.	Name of Security Holder (a)	Address of Security Holder (b)	Number of Votes to Which Security Holder Was Entitled (c)	Number of Votes, Classified With Respect to Securities on Which Based			Line No.
				Stock		Preferred (f)	
				Common (d)	Second (e)		
1	<b>CSX Corporation</b>	<b>Jacksonville, FL</b>	<b>9,061,038</b>	<b>9,061,038</b>			1
2							2
3							3
4							4
5							5
6							6
7							7
8							8
9							9
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28							28
29							29
30							30

### C. VOTING POWERS AND ELECTIONS - Continued

10. State the total number of votes cast at the latest general meeting for the election of the respondent: 9,061,038 votes cast.
11. Give the date of such meeting: March 14, 2006
12. Give the place of such meeting: Votes cast by unanimous written consent.

### NOTES AND REMARKS

The consolidated financial statements and supporting schedules included in this annual report include CSX Transportation, Inc. and the following majority-owned subsidiaries:

Allegheny and Western Railway Company	Hooker Silver, LLC
Atlanta, Knoxville & Northern Railway Company	Hooker Ten, LLC
Atlantic Land and Improvement Company, The	James Center Development Company
Baltimore and Cumberland Valley Rail Road Extension Company, The	James Center Development Company - Richmond
Baltimore and Ohio Chicago Terminal Railroad Company, The	L&N Investment Corporation
Buffalo, Rochester and Pittsburg Railway Company	Lake Erie and Detroit River Railway Company, The
Carrollton Railroad, The	Lakefront Dock and Railroad Terminal Company
Cincinnati Inter-Terminal Railroad Company, The	Lakeland City Center, Inc.
CSX Capital Management, Inc.	Mahoning State Line Railroad Company, The
CSX Rail Benefits Company	Midland United Corporation and subsidiaries
CSX Realty Development, LLC	Neville Island Terminal Railway Company, The
CSX Resources, Inc. - Georgetown	Nona Barnes, LLC
CSX Tower II Properties, Inc.	North Charleston Terminal Company
CSX Transportation International, Inc.*	NYC Pere Marquette, LLC
CSXT Environmental Corporation	Rail One Corporation
CSXT Intellectual Properties Corporation	Rail Wagons, Inc.
Curtis Bay Company	Rail Wagons - II, Inc.
Cybernetics & Systems, Inc.	RDC Holdings, Inc.
Dayton and Michigan Railroad Company	RDC Projects, LLC
DOCP Holdings, Inc.	Real Estate and Improvement Company of Baltimore City, The
E R & L Thames, Inc.	Richmond, Fredericksburg and Potomac Railway Company
Energy Resources and Logistics, Inc.	Seaboard Coast Line Railway Supplies, Inc.
FGMR, Inc.	St. Lawrence & Adirondack Railway Company
Four Rivers Transportation, Inc. and subsidiaries	Staten Island - Arlington, Inc.
Fruit Growers Dispatch, Inc.	Staten Island Railroad Corporation, The
Fruit Growers Express Company	Terminal Realty Baltimore Co.
Gainesville Midland Railroad Company	Terminal Realty Baltimore Second Co.
Harborshore at Boca Bay Development Corporation	Three Rivers Railway Company, The
Holston Land Company, Incorporated	Toledo Ore Railroad Company, The
Home Avenue Railroad Company, The	TransKentucky Transportation Railroad, Inc.
Hooker Core, LLC	Tylerdale Connecting Railroad Company, The
Hooker Homes, LLC	Westfork Properties, LLC

\* Formerly CSX Transportation South America, Inc.

**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	17,209	(92)	1
2		702	Temporary cash investments	11	41	2
3		703	Special deposits	-	-	3
4		704	Accounts receivable - Loan and notes	-	146	4
5		705	- Interline and other balances	8,037	14,703	5
6		706	- Customers	556,405	630,046	6
7		707	- Other	121,490	126,035	7
8		708, 709	- Accrued accounts receivables	445,501	516,737	8
9		708.5	- Receivables from affiliated companies	-	-	9
10		709.5	- Less: Allowance for uncollectible accounts	(73,373)	(101,326)	10
11		710, 711, 714	Working funds prepayments deferred income tax debits	247,376	230,953	11
12		712	Materials and supplies	195,503	189,904	12
13		713	Other current assets	27,294	83,466	13
14			<b>TOTAL CURRENT ASSETS</b>	<b>1,545,453</b>	<b>1,690,613</b>	14
			Other Assets			
15		715, 716, 717	Special funds	-	-	15
16		721, 721.5	Investments and advances affiliated companies (Schs. 310 and 310A)	433,592	395,307	16
17		722, 723	Other investments and advances	1	1,393	17
18		724	Allowances for net unrealized loss on noncurrent marketable equity securities - Cr.	-	-	18
19		737, 738	Property used in other than carrier operation (Less depreciation) \$ 7,194	135,828	134,935	19
20		739, 741	Other assets	332,193	302,414	20
21		743	Other deferred debits	83,121	81,542	21
22		744	Accumulated deferred income tax debits	-	-	22
23			<b>TOTAL OTHER ASSETS</b>	<b>984,735</b>	<b>915,591</b>	23
			Road and Equipment			
24		731, 732	Road (Sch. 330) L-30 Col h & b	19,434,035	18,531,332	24
25		731, 732	Equipment (Sch 330) L-30 Col h & b	6,567,216	6,330,263	25
26		731, 732	Unallocated items	302,478	347,213	26
27		733, 735	Accumulated depreciation and amortization (Schs. 335, 342, 351)	(6,133,335)	(5,789,972)	27
28			Net Road and Equipment	20,170,394	19,418,836	28
29			<b>TOTAL ASSETS</b>	<b>22,700,582</b>	<b>22,025,040</b>	29

NOTES AND REMARKS

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

Line No.	Cross Check	Account	Title (a)	Balance at close of year (b)	Balance at beginning of year (c)	Line No.
Current Liabilities						
30		751	Loans and notes payable	8,292	-	30
31		752	Accounts payable: Interline and other balances	26,045	33,026	31
32		753	Audited accounts and wages	83,331	145,094	32
33		754	Other accounts payable	157,459	114,290	33
34		755, 756	Interest and dividends payable	9,303	11,644	34
35		757	Payables to affiliated companies	2,018,795	1,779,785	35
36		759	Accrued accounts payable	1,085,737	1,152,810	36
37		760, 761 761.5, 762	Taxes accrued	261,697	129,359	37
38		763	Other current liabilities	71,075	79,575	38
39		764	Equipment obligations and other long-term debt due within one year	120,166	115,618	39
40			<b>TOTAL CURRENT LIABILITIES</b>	<b>3,841,900</b>	<b>3,561,201</b>	<b>40</b>
Non-Current Liabilities						
41		765, 767	Funded debt unmatured	461,306	404,514	41
42		766	Equipment obligations	360,076	454,140	42
43		766.5	Capitalized lease obligations	56,422	79,725	43
44		768	Debt in default	-	-	44
45		769	Accounts payable: affiliated companies	4,111	5,200	45
46		770.1, 770.2	Unamortized debt premium	92,352	98,664	46
47		781	Interest in default	-	-	47
48		783	Deferred revenues - transfers from govt. authorities	-	-	48
49		786	Accumulated deferred income tax credits	6,260,032	6,122,468	49
50		771, 772, 774, 775, 782, 784	Other long-term liabilities and deferred credits	1,229,619	1,152,500	50
51			<b>TOTAL NONCURRENT LIABILITIES</b>	<b>8,463,918</b>	<b>8,317,211</b>	<b>51</b>
Shareholder's Equity						
52		791, 792	Total capital stock	181,225	181,224	52
53			Common stock	181,225	181,224	53
54			Preferred stock	-	-	54
55			Discount on capital stock	-	-	55
56		794, 795	Additional capital	5,420,216	5,351,621	56
Retained earnings:						
57		797	Appropriated	-	-	57
58		798	Unappropriated	4,812,931	4,584,190	58
59		798.1	Net unrealized loss on noncurrent marketable equity securities	(19,608)	29,593	59
60		798.5	Less treasury stock	-	-	60
61			Net stockholders equity	10,394,764	10,146,628	61
62			<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>	<b>22,700,582</b>	<b>22,025,040</b>	<b>62</b>

NOTES AND REMARKS

**200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - EXPLANATORY NOTES**  
**(Dollars in Thousands)**

The notes listed below are provided to disclose supplementary information on matters which 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 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 funds, pursuant to provisions of reorganization plans, mortgages, deeds of trust, or other contracts: \$ 41.
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: \$ 0.
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 5 on Page 13A.
- (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 5 on Page 13A.
- (c) Is any part of pension plan funded? Specify. Yes X No \_\_\_\_ .  
 If funding is by insurance, give name of insuring company \_\_\_\_\_.  
 If funding is by trust agreement, list trustee(s) Northern Trust.  
 Date of trust agreement or latest amendment November 1, 2005.  
 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 5 on Page 13A.
- (e) Is any part of the pension plan fund invested in stock or other securities of the respondent or 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 trustee, subject to approval and direction of Investment Committee.
4. State whether a segregated political fund has been established as provided by the Federal Election Campaign Act of 1971 (18 U.S.C. 610). Yes \_\_\_\_ No X.
5. (a) The amount of employer's contribution to employee stock ownership plans for the current year was \$ 0.
- (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 \$ 0.
6. In reference to Docket 37465, specify the total amount of business entertainment expenditures charged to the non-operating expense account: \$ 0.

Continued on following page

**200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - EXPLANATORY NOTES - Continued**

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

Disclose the nature and amount of contingency that is material.

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

**Respondent and its subsidiaries are contingently liable individually and jointly with others principally as guarantors of long-term debt and obligations, primarily related to leased equipment, joint ventures and joint facilities. These contingent obligations are immaterial to the company's results of operations and financial position at December 29, 2006.**

**A number of legal actions, other than environmental, are pending against respondent in which claims are made in substantial amounts. While the ultimate results of environmental investigations, lawsuits and claims involving Respondent cannot be predicted with certainty, management does not currently expect that these matters will have a material adverse effect on the consolidated financial position, results of operations and cash flows of the Respondent.**

(a) Changes in valuation accounts.

8. Marketable equity securities.

		Cost	Market	Dr. (Cr.) to Income	Dr. (Cr.) to Stockholder's Equity
(Current Yr.)	Current Portfolio	-	-	-	N/A
as of 12/29/2006	Noncurrent Portfolio	-	-	N/A	-
(Previous Yr.)	Current Portfolio	-	-	N/A	N/A
as of 12/29/2006	Noncurrent Portfolio	-	-	N/A	N/A

At 12/29/2006, gross unrealized gains and losses pertaining to marketable equity securities were as follows:

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

A net unrealized gain (loss) of \$ 0 on the sale of marketable securities was included in net income for N/A (year).

The cost of securities was based on the N/A (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: 12/29/2006 (date) Balance sheet date of reported year unless specified as previous year.

**NOTE 1. Nature of Operations and Significant Accounting Policies*****Nature of Operations***

CSX Transportation, Inc. ("Respondent") operates the largest railroad in the eastern United States with a rail network of approximately 21,000 route miles, linking markets in 23 states, the District of Columbia, and the Canadian provinces of Ontario and Quebec. The Respondent is a wholly owned subsidiary of CSX Corporation ("CSX").

Rail shipments include merchandise, automotive products, and coal, coke and iron ore. Service groups as a percent of rail revenue are as follows:

	<u>2006</u>	<u>2005</u>
Merchandise	58%	58%
Coal, Coke and Iron Ore	29%	29%
Automotive	11%	12%
Other	<u>2%</u>	<u>1%</u>
Total	<u><u>100%</u></u>	<u><u>100%</u></u>

The Respondent's merchandise business includes the following seven groups: chemicals, forest products, agriculture products, metals, emerging markets, food and consumer, and phosphates and fertilizers. The emerging markets group includes aggregates, processed materials, waste, military cargo, and machinery.

The Respondent's coal business serves more than 130 coal loading locations in nine states, including three of the nation's top four coal-producing states.

The Respondent's automotive business serves plants in eight states and delivers both finished vehicles and auto parts. Consistent with the overall automotive market, the Respondent's volumes continued to shift from the Big 3 to foreign brands produced domestically.

Other revenue includes short-line railroads owned by the Respondent and demurrage, switching, and other incidental charges. Demurrage represents charges assessed by railroads when shippers or receivers of freight hold railcars beyond a specified period of time. Switching revenue is generated when the Respondent switches cars between trains for a customer or another railroad.

***Basis of Presentation***

In the opinion of management, the accompanying consolidated financial statements contain all adjustments necessary to fairly present the financial position of the Respondent and its subsidiaries at December 29, 2006 and December 30, 2005 for fiscal years 2006 and 2005, such adjustments being of a normal, recurring nature.

**NOTE 1. Nature of Operations and Significant Accounting Policies, Continued*****Fiscal Year***

The Respondent follows a 52/53 week fiscal reporting calendar. This fiscal calendar allows every quarter to consistently end on a Friday and to be of equal duration (13 weeks). However, to maintain this type of reporting calendar, every sixth or seventh year (depending on the Gregorian calendar and when leap year falls), an extra week will be included in one quarter (a 14-week fiscal quarter) and, therefore, the full fiscal year will have 53 weeks.

- Fiscal year 2006 consisted of 52 weeks, ending on December 29, 2006
- Fiscal year 2005 consisted of 52 weeks, ending on December 30, 2005

Except as otherwise specified, references to full year indicate the Respondent's fiscal periods ended on the dates noted above.

***Principles of Consolidation***

The consolidated financial statements include results of operations of the Respondent and its majority-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated. Most investments in companies that were not majority-owned were carried at cost (if less than 20% owned and the Respondent has no significant influence) or equity (if the Respondent has significant influence).

***Cash and Cash Equivalents***

The Respondent participates in the CSX cash management plan, under which excess cash is advanced to CSX for investment. CSX then makes cash available to the Respondent as needed. Cash and cash equivalents consists of cash in banks and highly liquid investments having an original maturity of three months or less at the date of acquisition.

***Allowance for Doubtful Accounts***

The Respondent maintains an allowance for doubtful accounts for the estimated probable losses on uncollectible accounts and other receivables. The allowance is based upon the credit worthiness of customers, historical experience, the age of the receivable, current market and economic conditions, as well as any known trends or uncertainties related to customer billing and account collectibility. Uncollectible amounts were charged against the allowance account. The allowance for doubtful accounts is netted against current accounts receivable.

***Materials and Supplies***

Materials and supplies in the Schedule 200 consist primarily of fuel and parts used in the repair and maintenance of the Respondent's freight car and locomotive fleets, equipment, and track structure, which were carried at average cost.

**NOTE 1. Nature of Operations and Significant Accounting Policies, Continued*****Properties***

All properties were stated at cost less an allowance for accumulated depreciation. Rail assets, including main-line track, locomotives and freight cars were depreciated using the group-life method as discussed below. Under this method, the Respondent pools similar assets by road and equipment type and then depreciates each group as a whole. The majority of non-rail property is depreciated using the straight-line method on a per asset basis. Amortization expense recorded under capital leases is included in depreciation expense on the Consolidated Income Statements.

Regulations enforced by the Surface Transportation Board ("STB") of the U.S. Department of Transportation require periodic formal studies of ultimate service lives ("life studies") for all railroad assets. Factors taken into account during the life study include:

- Statistical analysis of historical retirements for each group of property;
- Evaluation of current operations;
- Evaluation of technological advances and maintenance schedules;
- Previous assessment of the condition of the assets and outlook for their continued use;
- Expected net salvage expected to be received upon retirement; and
- Comparison of assets to the same asset groups with other companies.

The results of the life study process determine the service lives for each asset group under the group-life method. These studies are conducted by a third party expert and are analyzed by the Respondent's management. Resulting changes in service life estimates are subject to review and approval by the STB. Road assets, including main-line track, have estimated service lives ranging from five years for system roadway machinery to 80 years for grading. Equipment assets, including locomotives and freight cars, have estimated service lives ranging from six years for motor vehicles to 35 years for work equipment.

Changes in asset lives due to the results of the life studies are applied at the completion of the life study and continue until the next required life study. The life studies may also indicate that the recorded amount of accumulated depreciation is deficient (or in excess) of the amount indicated by the study. Any such deficiency (or excess) amount is amortized as a component of depreciation expense over the remaining useful life of the asset group until the next required life study.

**NOTE 1. Nature of Operations and Significant Accounting Policies, Continued**

For retirements or disposals of depreciable rail assets that occur in the ordinary course of business, the asset cost (net of salvage value or sales proceeds) was charged to accumulated depreciation and no gain or loss is recognized. For retirements or disposals of non-rail depreciable assets, infrequent disposal of rail assets outside the normal course of business and all dispositions of land, the resulting gains or losses were recognized at the time of disposal. Expenditures that significantly increased asset values or extended useful lives were capitalized. Repair and maintenance expenditures were charged to operating expense when the work was performed.

Properties and other long-lived assets are reviewed for impairment whenever events or business conditions indicate the carrying amount of such assets may not be fully recoverable. Initial assessments of recoverability are based on estimates of undiscounted future net cash flows associated with an asset or a group of assets in accordance with Statement of Financial Accounting Standards ("SFAS") 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*. Where impairment is indicated, the assets are evaluated, and their carrying amount is reduced to fair value based on undiscounted net cash flows or other estimates of fair value.

***Revenue & Expense Recognition***

The Respondent recognizes freight revenue using Free-On-Board Origin pursuant to Emerging Issues Task Force 91-9, *Revenue and Expense Recognition for Freight Services in Process* ("EITF 91-9"). The Respondent uses method (5) in EITF 91-9, which provides for the allocation of revenue between reporting periods based on relative transit time in each reporting period. Expenses are recognized as incurred.

Certain key estimates are included in the recognition and measurement of revenue and related accounts receivable under the policies described above:

- unbilled revenue on shipments that have been delivered;
- revenue associated with shipments in transit;
- future adjustments to revenue or accounts receivable for billing corrections, billing discounts and bad debts;
- future adjustments to revenue for overcharge claims filed by customers; and
- incentive-based refunds to customers.

The Respondent regularly updates the estimates described above based on historical experience.

All other revenue is recorded upon completion of the service.

**NOTE 1. Nature of Operations and Significant Accounting Policies, Continued*****Derivative Financial Instruments***

The Respondent recognizes all derivatives as either assets or liabilities in the Schedule 200 and measures those instruments at fair value. (See Note 9, Derivative Financial Instruments.)

***New Accounting Pronouncements and Change in Accounting Policy***

Effective fiscal year 2006, the Company adopted the fair value recognition provisions of SFAS 123(R), Share-Based Payments ("SFAS 123(R)") using the modified-prospective-transition method. Under this method, compensation costs recognized in 2006 include all unvested share-based payments as of the beginning of 2006. Share-based compensation at CSXT consists of stock options, long-term incentive plan, and restricted stock awards, all payable in parent company stock.

Prior to the adoption of SFAS 123(R), in 2003, CSXT adopted the fair value recognition provision on a prospective basis as permitted under SFAS 148, Accounting for Stock-Based Compensation – Transition and Disclosure. Results for prior periods have not been restated; as such prior period restatement is not required. The adoption of SFAS 123(R) did not result in a material impact to the Company's Consolidated Income Statement.

In July 2006, the Financial Accounting Standards Board ("FASB") issued Interpretation 48, *Accounting for Uncertainty in Income Taxes*, ("FIN 48"), which will be effective for the Respondent beginning in 2007. FIN 48 provides guidance on measurement, classification, and disclosures of uncertain tax positions including treatment of related interest and penalties. Differences between the amounts recognized in the financial statements prior to the adoption of FIN 48 and the amounts recognized after adoption will be accounted for as a cumulative-effect adjustment. The Respondent is currently evaluating the impact of FIN 48 on its consolidated financial statements, but is not yet in a position to make this determination. (See Note 8, Income Taxes.)

In September 2006, FASB issued SFAS 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans, an amendment of FASB Statements No. 87, 88, 106, and 132 (R)* ("SFAS 158"), which changed the accounting rules for reporting and disclosures related to pensions and other postretirement benefit plans. Companies were required to reflect the funded status of retirement and other postretirement benefit plans on the balance sheet. This change was effective for the Respondent for this fiscal year end. Pursuant to SFAS 158, the Respondent will be required to change its September measurement date for the plan's assets and obligations to its fiscal year end effective in 2008.

**NOTE 1. Nature of Operations and Significant Accounting Policies, Continued*****Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires that management make estimates in reporting the amounts of certain assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of certain revenues and expenses during the reporting period. Actual results may differ from those estimates. Critical accounting estimates using management judgment are made for the following areas:

- Casualty, environmental and legal reserves (see Note 3, Casualty, Environmental and Other Reserves);
- Pension and postretirement medical plan accounting (see Note 5, Employee Benefit Plans);
- Depreciation policies for assets under the group-life method (see "Properties" in this note); and
- Income taxes (see Note 8, Income Taxes).

**NOTE 2. Hurricane Katrina**

In August 2005, Hurricane Katrina caused extensive damage to the Respondent's assets on the Gulf Coast. The most significant damage was concentrated on the Respondent's approximately 100-mile route starting in New Orleans, LA and going east to Pascagoula, MS and included damage to track infrastructure and bridges. Operations were normalized to pre-hurricane conditions by the end of the first quarter of 2006.

In 2005, the Respondent, through its parent company, CSX Corporation had insurance coverage of \$535 million, after a \$25 million deductible (per occurrence). The insurance includes coverage for fixed asset replacement and business interruption, which includes recovery of incremental expenses and lost profits.

In measuring the losses incurred in 2006 and 2005 attributable to Hurricane Katrina, the Respondent considered the actual losses reflected in the financial statements, the allocable deductible (based on expected total recoveries from insured losses), and had a receivable at the end of 2005 for the difference, \$42 million, based on probable insurance recoveries and included in Accounts Receivable in the Respondent's Schedule 200. No gains were recognized in 2005. In 2006, the Respondent recognized gains of \$166 million on insurance recoveries from claims related to Hurricane Katrina, with no receivable remaining. The gains represent insurance recoveries in excess of the book value of the losses related to property damage and lost profits. Additional gains are expected in future periods as more cash is collected.

Insurance proceeds related to Hurricane Katrina totaled \$263 million and \$67 million in 2006 and 2005, respectively. Cash proceeds received from insurers are included in Other in either cash flows from operating activities or cash flows from investing activities based on the type of cost to which the proceeds relate.

**NOTE 3. Casualty, Environmental and Other Reserves**

Activity related to casualty, environmental and other reserves is as follows:

<i>(Dollars in Millions)</i>	<b>Casualty Reserves</b>	<b>Separation Liabilities</b>	<b>Environmental Reserves</b>	<b>Other Reserves</b>	<b>Total</b>
Balance, December 31, 2004	\$ 644	\$ 151	\$ 59	\$ 60	\$ 914
Charged to Expense	172	-	31	39	242
Payments	(157)	(34)	(20)	(63)	(274)
Reclassifications (a)	(38)	-	-	-	(38)
Balance, December 30, 2005	\$ 621	\$ 117	\$ 70	\$ 36	\$ 844
Charged to Expense	138	-	20	32	190
Payments	(146)	(16)	(20)	(41)	(223)
Reclassifications (b)	-	14	-	-	14
Balance, December 29, 2006	<u>\$ 613</u>	<u>\$ 115</u>	<u>\$ 70</u>	<u>\$ 27</u>	<u>\$ 825</u>

(a) This amount represents a \$48 million decrease in asbestos reserves and a \$10 million increase in other occupational reserves.

(b) This amount represents reclassifications from labor and fringe benefit payable.

Casualty, environmental and other reserves were determined to be critical accounting estimates due to the need for significant management judgments. They are provided for in the Schedule 200 as follows:

	<b>2006</b>			<b>2005</b>		
	<b>Current</b>	<b>Long-term</b>	<b>Total</b>	<b>Current</b>	<b>Long-term</b>	<b>Total</b>
	<i>(Dollars in Millions)</i>					
Casualty	\$ 163	\$ 450	\$ 613	\$ 199	\$ 422	\$ 621
Separation	15	100	115	15	102	117
Environmental	26	44	70	20	50	70
Other	22	5	27	30	6	36
Total	<u>\$ 226</u>	<u>\$ 599</u>	<u>\$ 825</u>	<u>\$ 264</u>	<u>\$ 580</u>	<u>\$ 844</u>

**Casualty**

Casualty reserves represent accruals for personal injury and occupational injury claims. These claims are insured by an affiliate of the Respondent, CSX Insurance, and a receivable of \$73 million in both 2006 and 2005, respectively, has been recorded in Payables to Affiliated Companies in the Schedule 200. Currently, no individual claim is expected to exceed the Respondent's self-insured retention amount. To the extent the value of an individual claim exceeds the self-insured retention amount, the Respondent would present the liability on a gross basis with a corresponding receivable for insurance recoveries. Personal injury and occupational claims were presented on a gross basis and in accordance with SFAS 5, *Accounting for Contingencies* ("SFAS 5"). These reserves fluctuate with estimates provided by independent third parties reviewed by management, offset by the timing of payments.

The amounts recorded by the Respondent for asbestos and other occupational liabilities were based upon currently known information and judgments based upon that information. Projecting future events, such as the number of new claims to be filed each year, the average cost of disposing of claims, as well as the numerous uncertainties surrounding asbestos and other occupational litigation or legislation in the United States, could cause the actual costs to be higher or lower than projected.

**NOTE 3. Casualty, Environmental and Other Reserves, Continued**

While the final outcome of casualty-related matters cannot be predicted with certainty, considering among other items the meritorious legal defenses available and the liabilities that have been recorded, it is the opinion of management that none of these items, when finally resolved, will have a material effect on the Respondent's results of operations, financial condition or liquidity. However, should a number of these items occur in the same period, they could have a material effect on the results of operations, financial condition or liquidity in a particular quarter or fiscal year.

*Personal Injury*

Personal injury represents liabilities for employee work-related and third-party injuries. Work-related injuries for the Respondent's employees were primarily subject to the Federal Employers' Liability Act ("FELA").

The Respondent retains an independent actuarial firm to assist management in assessing the value of personal injury claims and cases. An analysis is performed by the independent actuarial firm semi-annually and is reviewed by management. The methodology used by the actuary includes a development factor to reflect growth or reduction in the value of these personal injury claims. It is based largely on the Respondent's historical claims and settlement experience. Actual results may vary from estimates due to the type and severity of the injury, costs of medical treatments, and uncertainties in litigation. Reserves for personal injury claims were \$409 million and \$391 million for 2006 and 2005, respectively.

*Occupational*

Occupational claims arise from allegations of exposure to certain materials in the work place. Examples of exposures would be asbestos, solvents (which include soaps and chemicals), diesel fuel, and alleged chronic physical injuries resulting from work conditions. Examples of claims arising from work conditions would be repetitive stress injuries, carpal tunnel syndrome or hearing loss.

Reserves for asbestos related claims were \$112 million and \$129 million for 2006 and 2005, respectively. Reserves for all other occupational claims were \$92 million and \$101 million for 2006 and 2005, respectively.

*Asbestos*

The Respondent is party to a number of occupational claims by employees alleging exposure to asbestos in the workplace. The heaviest possible exposure for employees was due to work conducted in and around steam locomotive engines that were largely phased out beginning around the 1950's. However, other types of exposures, including exposure from locomotive component parts and building materials, continued until it was substantially eliminated by 1985.

**NOTE 3. Casualty, Environmental and Other Reserves, Continued**

The Respondent retains a third party specialist with extensive experience in performing asbestos and other occupational studies to assist management in assessing the value of the Respondent's claims and cases. The analysis is performed by the specialist semi-annually and is reviewed by management. The objective of the analysis is to determine the number of estimated incurred but not reported ("IBNR") claims and the estimated average cost per claim to be received over the next seven years. Seven years was determined by management to be the time period in which probable claim filings and claim values could be estimated with more certainty.

The Respondent, with the assistance of the third party specialist, determines its potentially exposed population from which it is able to derive the estimated number of IBNR claims. The estimated average cost per claim is then determined utilizing recent actual average cost per claim data and national industry data. Key elements of the assessment include the following:

- An estimate is computed using a ratio of Respondent employee data to national employment for select years during the period 1938-2001. The Respondent uses railroad industry historical census data because it does not have detailed employment records in order to compute the population of potentially exposed employees.
- The projected incidence of disease is estimated based on epidemiological studies using employees' age and the duration and intensity of potential exposure while employed. Epidemiology is the medical science that deals with the incidence, distribution and control of diseases in a population.
- An estimate of the future anticipated claims filing rate by type of disease (non-malignant, cancer and mesothelioma) is computed using the Respondent's average historical claim filing rates for a three-year calibration period, excluding a surge in claims originating in West Virginia. In 2006, the Respondent received 766 asbestos claims in West Virginia in which the claimants were neither exposed in West Virginia nor residents of the state. The Respondent believes these claims will not have standing in West Virginia and therefore are excluded from the calibration period. Management feels this calibration period represents the best estimate of future filing rates.
- An estimate of the future anticipated dismissal rate by type of claim is computed using the Respondent's historical average dismissal rates observed during the current calibration period noted above.
- An estimate of the future anticipated settlement by type of disease is computed using the Respondent's historical average of dollars paid per claim for pending and future claims using the average settlement by type of incident observed during the current calibration period noted above.

**NOTE 3. Casualty, Environmental and Other Reserves, Continued**

From these assumptions, the Respondent projects the incidence of each type of disease to the estimated population to determine the total estimated number of employees that could potentially assert a claim. Historical claim filing rates were applied for each type of disease to the total number of employees that could potentially assert a claim to determine the total number of anticipated claim filings by disease type. Historical dismissal rates, which represented claims that were closed without payment, were deducted to calculate the number of future claims by disease type that would likely require payment by the Respondent. Finally, the number of such claims was multiplied by the average settlement value to estimate the Respondent's future liability for IBNR asbestos claims.

The estimated future filing rates and estimated average claim values were the most sensitive assumptions for this reserve. A 1% increase or decrease in either the forecasted number of IBNR claims or the average claim values would result in an approximate \$1 million increase or decrease in the liability recorded for unasserted asbestos claims.

Undiscounted liabilities recorded related to asbestos claims were as follows:

<i>(Dollars in Millions)</i>	<u>2006</u>	<u>2005</u>
<b>Asbestos</b>		
Incurred But Not Reported Claims	\$ 51	\$ 53
Asserted Claims	61	76
Total Liability	<u>\$ 112</u>	<u>\$ 129</u>
Current Liability	<u>\$ 30</u>	<u>\$ 37</u>

Defense and processing costs, which historically have been insignificant and are anticipated to be insignificant in the future, were not included in the recorded liability. The Respondent is presently self-insured for asbestos-related claims.

In 2005, management updated its estimate of the unasserted liability exposure with the assistance of the third party specialists, which resulted in recognition of a \$48 million favorable change associated with asbestos liabilities (net \$38 million favorable change for all occupational liabilities). During 2004 and 2005, asbestos related disease claims filed against the Respondent dropped substantially, particularly bulk claims filed by certain law firms. In 2003, the Respondent received a significant number of filings. The Respondent believes the number was attributable to an attempt to file before a new, more restrictive venue law took effect in West Virginia in mid-2003. As a result, management reassessed the calibration period from a four-year average as mentioned before to a three-year average, excluding the surge in claims originating in West Virginia. Management believes this calibration period represents the best estimate of future filing rates. There have been no significant changes in 2006.

**NOTE 3. Casualty, Environmental and Other Reserves, Continued***Other Occupational*

The Respondent retains a third party specialist with extensive experience in performing other occupational studies to assist management in assessing the value of the Respondent's claims and cases. The analysis is performed by the specialist semi-annually and is reviewed by management. Similar to the asbestos liability estimation process, the key elements of the assessment include the following:

- An estimate of the potentially exposed population for other occupational diseases is calculated by projecting active versus retired work force from 2002 to 2010 using a growth rate projection for overall railroad employment made by the Railroad Retirement Board in its June 2003 report.
- An estimate of the future anticipated claims filing rate by type of injury, employee type, and active versus retired employee is computed using the Respondent's average historical claim filing rates for the calibration periods management felt were representative of future filing rates. For carpal tunnel and repetitive stress injuries, the current calibration period is a 1-year average of claim filings. Hearing loss uses a 3-year calibration period, and all other diseases or injuries use a 2-year calibration period. An estimate is made to forecast future claims by using the filing rates by disease and the active and retired Respondent population each year.
- An estimate of the future anticipated settlement by type of injury is computed using the Respondent's historical average of dollars paid per claim for pending and future claims using the average settlement by type of injury observed during a period that management feels is representative of future settlement amounts.

The estimated future filing rates and estimated average claim values were the most sensitive assumptions for this reserve. A 1% increase or decrease in either the forecasted number of IBNR claims or the average claim values would result in an approximate \$1 million increase or decrease in the liability recorded for unasserted other occupational claims.

Undiscounted recorded liabilities related to other occupational claims were as follows:

<i>(Dollars in Millions)</i>	<u>2006</u>	<u>2005</u>
<b>Other Occupational</b>		
Incurred But Not Reported Claims	\$ 53	\$ 63
Asserted Claims	39	38
Total Liability	<u>\$ 92</u>	<u>\$ 101</u>
Current Liability	<u>\$ 30</u>	<u>\$ 18</u>

**NOTE 3. Casualty, Environmental and Other Reserves, Continued**

Defense and processing costs, which historically have been insignificant and were anticipated to be insignificant in the future, were not included in the recorded liability. The Respondent is presently self-insured for other occupational-related claims.

During 2005, the Respondent experienced an unfavorable trend in settlement values for repetitive stress and other injuries, which resulted in the recognition of a \$10 million unfavorable change in estimate associated with these liabilities. There have been no significant changes in 2006.

*Summary*

A summary of asbestos and other occupational claims activity is as follows:

	<u>2006</u>	<u>2005</u>
<b>Asserted Claims</b>		
Open Claims - Beginning of Period	4,842	5,476
New Claims Filed	1,458	735
Claims Settled	(763)	(1,199)
Claims Dismissed	<u>(236)</u>	<u>(170)</u>
Open Claims - End of Year	<u>5,301</u>	<u>4,842</u>

***Separation Liability***

Separation liabilities provide for the estimated costs of implementing workforce reductions, improvements in productivity and other cost reductions at the Respondent's major transportation units since 1991. These liabilities are expected to be paid out over the next 15 to 20 years from general corporate funds and may fluctuate depending on the timing of payments and associated taxes.

***Environmental***

The Respondent is a party to various proceedings, including administrative and judicial proceedings, involving private parties and regulatory agencies related to environmental issues. The Respondent was identified as a potentially responsible party at approximately 252 environmentally impaired sites, many of which were, or may be, subject to remedial action under the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, or CERCLA, also known as the Superfund Law, or similar state statutes. The majority of these proceedings arose from environmental conditions on properties used for ongoing or discontinued railroad operations. However, a number of these proceedings were based on allegations that the Respondent, or its predecessors, sent hazardous substances for disposal to facilities owned or operated by others. In addition, some of the Respondent's land holdings were leased to others for commercial or industrial operations that may have resulted in releases of hazardous substances or other regulated materials onto the property and could give rise to proceedings against the Respondent.

**NOTE 3. Casualty, Environmental and Other Reserves, Continued**

In any such proceedings, the Respondent is subject to environmental clean-up and enforcement actions under the Superfund Law, as well as similar state laws that may impose joint and several liability for clean-up and enforcement costs on current and former owners and operators of a site without regard to fault or the legality of the original conduct. These costs could be substantial.

At least once a quarter, the Respondent reviews its role with respect to each site identified. Based on the review process, the Respondent has recorded amounts to cover anticipated contingent future environmental remediation costs with respect to each site to the extent such costs are estimable and probable. The recorded liabilities for estimated future environmental costs are undiscounted and include amounts representing the Respondent's estimate of unasserted claims, which the Respondent believes to be immaterial. The liability includes future costs for remediation and restoration of sites as well as any significant ongoing monitoring costs, but excludes any anticipated insurance recoveries.

Currently, the Respondent does not possess sufficient information to reasonably estimate the amounts of additional liabilities, if any, on some sites until completion of future environmental studies. In addition, conditions that are currently unknown could, at any given location, result in exposure, the amount and materiality of which cannot presently be reliably estimated. Based upon information currently available, however, the Respondent believes its environmental reserves are adequate to accomplish remedial actions to comply with present laws and regulations, and that the ultimate liability for these matters, if any, will not materially affect its overall results of operations, financial condition and liquidity.

***Other***

Other reserves of \$27 million include liabilities for various claims, such as freight claims and claims for property and automobile liability. These liabilities are accrued at the estimable and probable amount, in accordance with SFAS 5.

Freight claims represent claims for both freight loss and damage and freight rate disputes. Freight loss and damage claims are liabilities that resulted in lost or damaged customer freight while being handled by the Respondent's transportation services. Freight rate disputes represent liabilities for customer claims regarding the rate charged by the Respondent for its transportation services. Liabilities for freight rate disputes are recorded as a reduction of revenue.

The Respondent accrues for claims related to property and automobile liability. The Respondent is also required to maintain primary and state mandated coverage for company property and vehicle fleets.

**NOTE 4. Commitments and Contingencies*****Lease Commitments***

The Respondent has various road and equipment leases with other parties with terms of up to 30 years. Non-cancelable, long-term leases generally include provisions for maintenance, options to purchase and options to extend the terms. Most options to purchase are at fair value and there are no significant penalties for the Respondent if it does not opt to extend the terms of a lease.

At the end of 2006, minimum building equipment rentals under these operating leases are as follows:

<i>(Dollars in millions)</i>			
<b>Years</b>	<b>Operating Leases</b>	<b>Sublease Income</b>	<b>Net Lease Commitments</b>
2007	\$ 176	\$ 24	\$ 152
2008	138	21	117
2009	106	12	94
2010	83	7	76
2011	64	7	57
Thereafter	216	9	207
Total	<u>\$ 783</u>	<u>\$ 80</u>	<u>\$ 703</u>

Rent expense for operating leases totaled \$368 million and \$388 million in 2006 and 2005, respectively. The majority of rent expense on operating leases relates to net daily rental charges on railroad operating equipment, which are not long-term commitments. The Respondent recognizes rent expense associated with operating leases that include escalations over their term using the straight-line method.

In addition to these commitments, the Respondent also has agreements covering equipment leased from Conrail. For additional information, see Note 10. Related Party Transactions.

***Purchase Commitments***

The Respondent has a commitment under a long-term maintenance program that currently covers 40% of the Respondent's fleet of locomotives. The agreement is based on the maintenance cycle for each locomotive and is currently predicted to expire no earlier than 2026 and as late as 2031, depending upon when additional locomotives are placed in service. The costs expected to be incurred through the duration of the agreement fluctuate as locomotives are placed into or removed from service or as required maintenance is adjusted. The Respondent may terminate the agreement at its option after 2012, although such action would trigger certain liquidated damages provisions. Under the program, the Respondent paid \$183 million and \$170 million during the fiscal years ended 2006 and 2005, respectively.

**NOTE 4. Commitments and Contingencies, Continued**

As a result of agreements executed in August 2005 and February 2006, the Respondent has purchase obligations supporting a multi-year plan to acquire additional locomotives between 2006 and 2011. The amount of the ultimate purchase commitment depends upon the model of locomotive acquired and the timing of delivery. Annual payments under the long-term maintenance program and locomotive purchase obligations were estimated as follows:

<i>(Dollars in Millions)</i>	<u>Payments</u>	
2007	\$	380
2008		441
2009		411
2010		252
2011		268
2012-2031		5,241
Total	<u>\$</u>	<u>6,993</u>

Additionally, the Respondent has various other commitments to purchase technology, communications, railcar maintenance and other services from various suppliers. The largest purchase obligation is for railcar maintenance of \$79 million over the next two years. Annual payments under these additional purchase commitments were estimated as follows:

<i>(Dollars in Millions)</i>	<u>Payments</u>	
2007	\$	89
2008		85
2009		40
2010		31
2011		5
2012-2031		6
Total	<u>\$</u>	<u>256</u>

**Insurance**

The Respondent maintains numerous insurance programs, most notably for third-party casualty liability and for Respondent property damage and business interruption with substantial limits. A specific amount of risk (\$25 million per occurrence) is retained by the Respondent on the casualty program and non-catastrophic property damage. The Respondent retains \$50 million of risk per occurrence for its catastrophic property coverage. For information on insurance issues resulting from the effects of Hurricane Katrina on the Respondent's operations and assets, see Note 2, Hurricane Katrina.

**NOTE 4. Commitments and Contingencies, Continued*****Collective Bargaining Agreements***

Most of the Respondent's employees are represented by labor unions and are covered by collective bargaining agreements. Generally speaking, these agreements are bargained nationally by the National Carriers Committee. In the rail industry, negotiations have generally taken place over a number of years and previously have not resulted in any extended work stoppages. Over the last 30 years, there were only six days of work stoppage related to labor disputes over national handling. A negotiating process for new collective bargaining agreements started with the issuance of bargaining notices in November 2004 and the outcome of the current round of negotiations is uncertain at this time. The existing agreements will continue to remain in effect until new agreements are reached. Under the Railway Labor Act's procedures (which include mediation, cooling-off periods, and the possibility of Presidential intervention), neither party may exercise self-help until the procedures are exhausted.

***Other Legal Proceedings***

The Respondent is involved in routine litigation incidental to its business and is a party to a number of legal actions and claims, various governmental proceedings and private civil lawsuits, including, but not limited to, those related to environmental matters, FELA claims by employees, other personal injury claims, and disputes and complaints involving certain transportation rates and charges. Some of the legal proceedings include claims for compensatory as well as punitive damages, and others purported to be class actions. While the final outcome of these matters cannot be predicted with certainty, considering among other things the meritorious legal defenses available and liabilities that have been recorded along with applicable insurance, it is currently the opinion of the Respondent's management that none of these items will have a material adverse effect on the results of operations, financial condition or liquidity of the Respondent. An unexpected adverse resolution of one or more of these items, however, could have a material adverse effect on the results of operations, financial condition or liquidity of the Respondent in a particular quarter or fiscal year.

**NOTE 5. Employee Benefit Plans*****Pension and Other Postretirement Benefit Plans***

The Respondent, in conjunction with CSX, sponsors defined benefit pension plans principally for salaried management personnel. The plans provide eligible employees with retirement benefits based predominately on years of service and compensation rates near retirement. Under the CSX pension plan, employees hired after December 31, 2002 are covered by a cash balance plan, which provides benefits by utilizing interest and pay credits based upon age, service and compensation. CSX allocates to the Respondent a portion of the pension expense or benefit for the CSX pension plans based on the Respondent's relative level of participation. In addition, the Respondent sponsors one pension plan for retired United Transportation Union employees. The expenses for this plan along with the allocated expenses from the various CSX pension plans amounted to \$36 million and \$24 million in 2006 and 2005, respectively.

**NOTE 5. Employee Benefit Plans, Continued**

In addition to these plans, the Respondent participates with CSX to sponsor one postretirement medical plan and one life insurance plan that provide benefits to full-time, salaried, management employees hired prior to January 1, 2003, upon their retirement if certain eligibility requirements are met. The postretirement medical plan is contributory (partially funded by retirees), with retiree contributions adjusted annually. The life insurance plan is non-contributory. CSX allocates to the Respondent a portion of the expense for these plans based on the Respondent's relative level of participation. The allocated expense amounted to \$30 million and \$35 million in 2006 and 2005, respectively.

In September 2006, FASB issued SFAS 158, which changed the accounting rules for reporting and disclosures related to pensions and other postretirement benefit plans. Companies are now required to include on the balance sheet an additional asset or liability to reflect the funded status of retirement and other postretirement benefit plans and a corresponding after-tax adjustment to equity. As a result, the Respondent recorded a net increase in pension and other postretirement benefit liabilities of \$32 million as well as an after tax decrease in equity of \$19 million. The decrease in equity did not have any significant impact on the Respondent's credit ratios or financing covenants. Retroactive application of this accounting rule is prohibited; therefore, 2006 is presented as required by SFAS 158 and 2005 is presented as required under the accounting rules prior to SFAS 158. The adoption in 2006 had no effect on the computation of net periodic benefit expense for pensions and postretirement benefits. Effective 2008, the Respondent will be required to change the measurement date for pension and postretirement benefit plans from September 30 to the last day of the fiscal year. As currently permitted by SFAS 87, *Employers Accounting for Pensions*, the Respondent has elected to use a plan measurement date of September 30 to actuarially value its pension and postretirement plans.

The Respondent engages independent, external actuaries to compute the amounts of liabilities and expenses relating to these plans subject to the assumptions that the Respondent selects.

The benefit obligation for these plans represents the liability of the Respondent for current and retired employees and is affected primarily by the following:

- Service cost (benefits attributed to employee service during the period)
- Interest cost (interest on the liability due to the passage of time)
- Actuarial gains/losses (experience during the year different from that assumed and changes in plan assumptions)
- Benefits paid to participants

***Other Plans***

The Respondent maintains savings plans for virtually all full-time salaried employees and certain employees covered by collective bargaining agreements. Expense associated with these plans was \$16 million in both 2006 and 2005, respectively.

**NOTE 5. Employee Benefit Plans, Continued**

Under collective bargaining agreements, the Respondent participates in a multi-employer benefit plan, which provides certain postretirement health care and life insurance benefits to eligible contract employees. Premiums under this plan are expensed as incurred and amounted to \$30 million in both 2006 and 2005.

Certain officers and key employees of the Respondent participate in stock purchase, performance and award plans of CSX. The Respondent is allocated its share of any cost to participate in these plans.

**NOTE 6. Debt Agreements**

Debt was as follows:

<i>(Dollars in Millions)</i>	<u>Maturity</u>	<u>Average Interest Rates at the End of 2006</u>	<u>2006</u>	<u>2005</u>
Notes	2007-2043	8.4%	\$ 554	\$ 502
Equipment Obligations	2007-2015	6.9%	446	549
Capital Leases	2007-2015	6.4%	90	103
Total Long Term Debt (including current portion)			1,090	1,154
Less Debt Due within One Year			(120)	(116)
Total Long Term Debt (excluding current portion)			<u>\$ 970</u>	<u>\$ 1,038</u>

**Short-term Debt Balances and Rates**

<i>(Dollars in Millions)</i>	<u>2006</u>	<u>2005</u>
Short-term Debt	\$ 8	\$ -
Weighted Average Interest Rates	6.07%	N/A

**Long-term Debt Maturities**

<i>(Dollars in Millions)</i>	<u>Maturities as of the End of 2006</u>
<u>Fiscal Years Ending</u>	
2007	\$ 120
2008	98
2009	88
2010	74
2011	65
2012 and Thereafter	645
Total Long-term Debt Maturities	<u>\$ 1,090</u>

Certain of the Respondent's properties are pledged as security for various long-term debt issues.

**NOTE 6. Debt Agreements, Continued*****Fair Value of Financial Instruments***

Fair values of the Respondent's financial instruments were estimated by reference to quoted prices from market sources and financial institutions, as well as other valuation techniques. Long-term debt is the only financial instrument of the Respondent with fair values that may significantly differ from their carrying amounts. The fair value of long-term debt has been estimated using discounted cash flow analysis based upon the Respondent's current incremental borrowing rates for similar types of financing arrangements.

<i>(Dollars in Billions)</i>	<u>2006</u>	<u>2005</u>
Long Term Debt Including Current Maturities:		
Fair Value	\$ 1.1	\$ 1.3
Carrying Value	\$ 1.1	\$ 1.2

**NOTE 7. Properties**

The Respondent's properties were as follows:

<i>(Dollars in Millions)</i>	<u>2006</u>			<u>2005</u>		
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Road	\$ 19,737	\$ 3,469	\$ 16,268	\$ 18,852	\$ 3,308	\$ 15,544
Equipment	6,567	2,665	3,902	6,357	2,482	3,875
Other	143	7	136	142	7	135
Total Properties	<u>\$ 26,447</u>	<u>\$ 6,141</u>	<u>\$ 20,306</u>	<u>\$ 25,351</u>	<u>\$ 5,797</u>	<u>\$ 19,554</u>

**NOTE 8. Income Taxes**

Total deferred tax assets and liabilities recorded by the Respondent are detailed below. The significant components of deferred tax assets are employee benefit plans and productivity and restructuring charges while the significant component of deferred tax liabilities is accelerated depreciation.

<i>(Dollars in Millions)</i>	<u>2006</u>	<u>2005</u>
Deferred Tax Liabilities	\$ 6,807	\$ 6,673
Less: Deferred Tax Assets	<u>\$ 772</u>	<u>\$ 711</u>
Net Deferred Tax Liabilities	<u>\$ 6,035</u>	<u>\$ 5,962</u>

**NOTE 8. Income Taxes, Continued**

The primary factors that caused the change in year-end net deferred income tax liabilities were:

- Annual provision for deferred income tax expense
- Deferred income taxes related to fuel hedging and postretirement benefit adjustments were recorded as a component of shareholder's equity
- Deferred income tax attributable to additional gains recognized on Conrail property received

CSX files a consolidated federal income tax return. The consolidated current federal income tax expense or benefit is allocated to the Respondent and its subsidiaries as though the Respondent had filed a separate consolidated federal return. Examinations of the federal income tax returns of CSX have been completed through 1998. Federal income tax returns for 1999 through 2005 are currently under examination. Management believes adequate provision has been made for any adjustments that might be assessed.

The breakdown of income tax expense (benefit) between current and deferred is as follows:

<i>(Dollars in Millions)</i>	<u>2006</u>	<u>2005</u>
Current:		
Federal	\$ 370	\$ 220
State	5	29
Total Current	<u>\$ 375</u>	<u>\$ 249</u>
Deferred:		
Federal	\$ 106	\$ 109
State	21	(88)
Total Deferred	<u>\$ 127</u>	<u>\$ 21</u>
Total	<u><u>\$ 502</u></u>	<u><u>\$ 270</u></u>

During 2006, the Respondent realized a benefit of \$48 million related to the resolution of certain audit matters. In 2005, the Respondent realized a state tax benefit of \$71 million attributable to legislative changes in Ohio that will gradually eliminate the Ohio corporate franchise tax.

**NOTE 9. Derivative Financial Instruments**

In 2003, the Respondent began a program to hedge its exposure to fuel price volatility through swap transactions. In the third quarter of 2004, the Respondent suspended entering into new swaps in its fuel hedge program. All outstanding fuel hedge contracts expired in July 2006. The fuel hedge program was gradually replaced with a fuel surcharge program that allows the Respondent to recover some of its increased fuel costs through programmatic changes to its transportation charges as the price of fuel rises and falls. The fuel surcharge program has up to this point provided the Respondent with financial protection for fluctuations in fuel costs in lieu of fuel hedging. The Respondent will continue to monitor and assess the global fuel marketplace to decide if and when to resume hedging under the program.

The fuel hedge program was established to manage exposure to fuel price fluctuations. The program limited fuel hedges to a 24-month duration and a maximum of 80% of the Respondent's average monthly fuel purchased for any month within the 24-month period, and placed the hedges among selected counterparties. Fuel hedging activity favorably impacted fuel expense for the fiscal years 2006 and 2005 by \$55 million and \$249 million, respectively. Ineffectiveness, or the extent to which changes in the fair values of the fuel swaps did not offset changes in the fair values of the expected fuel purchases, was immaterial.

These instruments qualified, and were designated by management, as cash-flow hedges of variability in expected future cash flows attributed to fluctuations in fuel prices. The fair values of fuel derivative instruments were determined based upon current fair market values as quoted by third party dealers and were recorded on the Schedule 200 with offsetting adjustments to Shareholder's Equity. Amounts were reclassified from Shareholder's Equity to fuel expense as the underlying fuel that was hedged was consumed by rail operations. The fair value of fuel derivative instruments based upon quoted market prices was \$51 million at the end of 2005. There were no fuel hedge contracts outstanding at the end of 2006. Fair value adjustments are non-cash transactions and, accordingly, had no cash impact on the Schedule 240.

**NOTE 10. Related Party Transactions**

The Respondent had \$1.9 billion and \$2.1 billion deficit balances for 2006 and 2005, respectively, relating to the Respondent's participation in the CSX cash management plan. The amount is included in Payables to Affiliated Companies in the Schedule 200. Under this plan, excess cash is advanced to CSX for investment and CSX makes cash funds available to its subsidiaries as needed for use in their operations. The Respondent and CSX are committed to repay all amounts due each other on demand should circumstances require. The companies are charged for borrowings or compensated for investments based on the short-term applicable federal rate, which was 4.86% and 4.25% as of the end of 2006 and 2005, respectively. Net interest expense related to this plan was \$89 million and \$76 million in 2006 and 2005, respectively.

**NOTE 10. Related Party Transactions, Continued*****Detail of Related Party Service Fees***

<i>(Dollars in Millions)</i>	<u>2006</u>	<u>2005</u>
Intermodal	\$ (462)	\$ (433)
CSX Management Service Fee	291	268
CSX Technology	178	176
TRANSFLO	54	76
TDSI	51	57
CSX Insurance	4	-
Total Related Party Service Fees	<u>\$ 116</u>	<u>\$ 144</u>

Related Party Service Fees consists of amounts related to:

- CSX Intermodal Inc. ("Intermodal") Reimbursements – Reimbursement from Intermodal under an operating agreement for costs incurred by the Respondent related to intermodal operations. This reimbursement is based on an amount that approximates actual costs. The Respondent also collects certain revenue on behalf of Intermodal under the operating agreement.
- CSX Management Service Fee – A management service fee charged by CSX as compensation for certain corporate services provided to the Respondent. These services include, but are not limited to, the areas of human resources, finance, administration, benefits, legal, tax, internal audit, corporate communications, risk management and strategic management services. The fee is calculated as a percentage of the Respondent's revenue.
- CSX Technology Inc. ("CSX Technology") Charges – Data processing charges from CSX Technology for the development, implementation and maintenance of computer systems, software and associated documentation for the day-to-day operations of the Respondent. These charges are based on a mark-up of direct costs.
- TRANSFLO Terminal Services Inc. ("TRANSFLO") Charges – Charges from TRANSFLO for services provided to the Respondent at bulk commodity facilities. These charges are calculated based on direct costs.
- Total Distribution Services Inc. ("TDSI") Charges – Charges from TDSI for services provided to the Respondent at automobile ramps. These charges are calculated based on direct costs.
- CSX Insurance Company ("CSX Insurance") – Charges from CSX Insurance for insurance premiums related to personal injury coverage.

Intermodal, CSX Technology, TRANSFLO, TDSI, and CSX Insurance are wholly owned subsidiaries of CSX.

**NOTE 10. Related Party Transactions, Continued*****Detail of Payables to Affiliated Companies (as included in Schedule 200)***

<i>(Dollars in Millions)</i>	<u>2006</u>	<u>2005</u>
CSX Corporation	\$ 1,911	\$ 1,590
Intermodal	31	36
CSX Technology	31	28
CSX Insurance	26	30
TRANSFLO	8	9
TDSI	8	8
Other	4	6
Total Due to Affiliate	<u>\$ 2,019</u>	<u>\$ 1,707</u>

The Respondent and CSX Insurance have entered into a loan agreement whereby the Respondent may borrow up to \$125 million from CSX Insurance. The loan is payable in full on demand. For 2006 and 2005, \$100 million and \$105 million were outstanding under the agreement, respectively. Interest on the loan is payable monthly at 0.45% over the LIBOR rate, which was 5.32% and 4.39% at the end of 2006 and 2005, respectively. Interest expense related to the loan was \$6 million and \$4 million for 2006 and 2005, respectively.

The Respondent has identified below amounts owed to Conrail, Inc. ("Conrail"), an equity investee of CSX, representing expenses incurred under the operating, equipment and shared area agreements with Conrail. Also, the Respondent executed a promissory note with a subsidiary of Conrail, which is included in Long-term Debt on the Consolidated Balance Sheets.

<i>(Dollars in Millions)</i>	<u>2006</u>	<u>2005</u>
<b>Balance Sheet Information:</b>		
Payable to Conrail	\$ 48	\$ 40
Promissory Note Payable to Conrail Subsidiary		
4.52% Promissory Note due March 2035	\$ 23	\$ 23
<b>Income Statement Information:</b>		
Interest Expense Related to Conrail	\$ 1	\$ 1

Prior to 2006, the Respondent participated with CSX Equipment Leasing, LLC ("CEL"), an affiliate of CSX, in sale-leaseback arrangements. Under these arrangements, CEL sold equipment to a third party and the Respondent leased the equipment and assigned the lease to CEL. CEL was obligated for all lease payments and other associated equipment expenses. In 2006, the Respondent notified the third party owner of the equipment of its intent to exercise the purchase option contained in the leases at the end of the lease term and subsequently executed sale agreements for said equipment with Maersk and Horizon.

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

- |   |  |  |
|---|--|--|
| 1. Disclose requested information for respondent pertaining to results of operations for the year.  | Schedule 210<br>Line 15, col b                     | Cross-Checks<br>Schedule 210<br>= Line 62, col (b) |
| 2. Report total operating expenses from Sched. 410. Any differences between this schedule and Sched. 410 must be explained on page 18.                  | Lines 47,48,49 col b<br>Line 50, col b             | = Line 63, col (b)<br>= Line 64, col (b)           |
| 3. List dividends from investments accounted for under the cost method on line 19, and list dividends accounted for under the equity method on line 25. |  | Schedule 410<br>= Line 620, col h                  |
| 4. All contra entries should be shown in parenthesis.   | Line 14, col b<br>Line 14, col d<br>Line 14, col e | = Line 620, col f<br>= Line 620, col g             |

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Freight-related revenue & expenses (d)	Passenger-related revenue & expenses (e)	Line No.
		<b>ORDINARY ITEMS OPERATING INCOME</b>					
1		(101) Freight	8,281,103	7,428,509	8,281,103		1
2		(102) Passenger	-	-	-		2
3		(103) Passenger-related	-	-	-		3
4		(104) Switching	37,820	38,668	37,820		4
5		(105) Water transfers	-	-	-		5
6		(106) Demurrage	69,580	41,796	69,580		6
7		(110) Incidental	213,138	179,765	213,138		7
8		(121) Joint facility - credit	-	-	-		8
9		(122) Joint facility - debit	-	-	-		9
10		(501) Railway operating revenues (Exclusive of transfers from government authorities-lines 1-9)	8,601,641	7,688,738	8,601,641	-	10
11		(502) Railway operating revenues - transfers from government authorities	-	-			11
12		(503) Railway operating revenues - amortization of deferred transfers from government authorities	-	-			12
13		<b>TOTAL RAILWAY OPERATING REVENUES (lines 10-12)</b>	<b>8,601,641</b>	<b>7,688,738</b>	<b>8,601,641</b>	<b>-</b>	13
14		(531) Railway operating expenses	7,006,252	6,615,752	7,006,252		14
15		Net revenue from railway operations	1,595,389	1,072,986	1,595,389		15
		<b>OTHER INCOME</b>					
16		(506) Revenue from property used in other than carrier operations	30,661	67,726			16
17		(510) Miscellaneous rent income	35,338	28,070			17
18		(512) Separately operated properties - profit	-	-			18
19		(513) Dividend income (cost method)	2,733	2,256			19
20		(514) Interest Income	59,099	3,059			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	7,102	4,358			24
25		Income from affiliated companies: 515					
26		a. Dividends (equity method)	-	-			25
27		b. Equity in undistributed earnings (losses)	7,764	4,135			26
27		<b>TOTAL OTHER INCOME (lines 16-26)</b>	<b>142,697</b>	<b>109,604</b>			27
28		<b>TOTAL INCOME (lines 15, 27)</b>	<b>1,738,086</b>	<b>1,182,590</b>			28
		<b>MISCELLANEOUS DEDUCTIONS FROM INCOME</b>					
29		(534) Expenses of property used in other than carrier operations	(29,639)	(30,197)			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	(170,682)	(29,967)			34
35		(553) Uncollectible accounts	-	-			35
36		<b>TOTAL MISCELLANEOUS DEDUCTIONS</b>	<b>(200,321)</b>	<b>(60,164)</b>			36
37		Income available for fixed charges	1,537,765	1,122,426			37

<b>210. RESULTS OF OPERATIONS - Continued</b> (Dollars in Thousands)					
Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Line No.
<b>FIXED CHARGES</b>					
38		(546) Interest on funded debt: (a) Fixed interest not in default	74,344	78,804	38
39		(b) Interest in default	-	-	39
40		(547) Interest on unfunded debt	5,964	80,278	40
41		(548) Amortization of discount on funded debt	(7,511)	373	41
42		TOTAL FIXED CHARGES (lines 38 through 41)	72,797	159,455	42
43		Income after fixed charges (line 37 minus line 42)	1,464,968	962,971	43
<b>OTHER DEDUCTIONS</b>					
44		(546) Interest on funded debt: (c) Contingent interest	188	235	44
<b>UNUSUAL OR INFREQUENT ITEMS</b>					
45		(555) Unusual or infrequent items (debit) credit	-	-	45
46		Income (Loss) from continuing operations (before inc. taxes)	1,464,780	962,736	46
<b>PROVISIONS FOR INCOME TAXES</b>					
47		(556) Income taxes on ordinary income: (a) Federal income taxes	370,403	220,345	47
48		(b) State income taxes	4,868	29,058	48
49		(c) Other income taxes	242	15	49
50		(557) Provision for deferred taxes	126,250	20,846	50
51		TOTAL PROVISION FOR INCOME TAXES (lines 47 through 50)	501,763	270,264	51
52		Income from continuing operations (line 46 minus line 51)	963,017	692,472	52
<b>DISCONTINUED OPERATIONS</b>					
53		(560) Income or loss from operations of discontinued segments (less applicable income taxes of \$ )	-	-	53
54		(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of \$ )	-	-	54
55		Income before extraordinary items (lines 52 through 54)	963,017	692,472	55
<b>EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES</b>					
56		(570) Extraordinary items (Net)	-	-	56
57		(590) Income taxes on extraordinary items	-	-	57
58		(591) Provision for deferred taxes - Extraordinary items	-	-	58
59		TOTAL EXTRAORDINARY ITEMS (lines 56 through 58)	-	-	59
60		(592) Cumulative effect of changes in accounting principles (less applicable income taxes of \$ ).	-	-	60
61		Net income (Loss) (lines 55 + 59 + 60)	963,017	692,472	61
<b>RECONCILIATION OF NET RAILWAY OPERATING INCOME (NROI)</b>					
62		Net revenues from railway operations	1,595,389	1,072,986	62
63		(556) Income taxes on ordinary income (-)	(375,513)	(249,418)	63
64		(557) Provision for deferred income taxes (-)	(126,250)	(20,846)	64
65		Income from lease of road and equipment (-)	-	(16,500)	65
66		Rent for leased roads and equipment (+)	14,507	29,944	66
67		Net railway operating income (loss)	1,108,133	816,166	67

**Notes and Remarks for Schedules 210 and 220**

**220. RETAINED EARNINGS**

(Dollars in Thousands)

1. Show below the items of retained earnings accounts of the respondent for the year, classified in accordance with the Uniform System of Accounts for Railroad Companies.
2. All contra entries should be shown in parentheses.
3. Show in lines 22 and 23 the amount of assigned Federal income tax consequences for accounts 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. Line 3 (line 7 if a debit balance), column (c), should agree with line 26, column (b), in Schedule 210. The total of columns (b) and (c), lines 3 and 7, should agree with line 61, column (b) in Schedule 210.
6. Include in column (b) only amounts applicable to retained earnings exclusive of any amounts included in column (c).

Line No.	Cross Check	Item (a)	Retained Earnings - Unappropriated (b)	Equity in Undistributed Earnings (Losses) of Affiliated Companies (c)	Line No.
1		Balances at beginning of year	4,543,582	40,608	1
2		(601.5) Prior period adjustments to beginning retained earnings	-	-	2
CREDITS					
3		(602) Credit balance transferred from income	955,253	7,764	3
4		(603) Appropriations released	-	-	4
5		(606) Other credits to retained earnings	-	-	5
6		TOTAL CREDITS	955,253	7,764	6
DEBITS					
7		(612) Debit balance transferred from income	-	-	7
8		(616) Other debits to retained earnings	-	-	8
9		(620) Appropriations for sinking and other funds	-	-	9
10		(621) Appropriations for other purposes	-	-	10
11		(623) Dividends: Common stock	734,276	-	11
12		Preferred stock (1)	-	-	12
13		TOTAL DEBITS	734,276	-	13
14		Net increase (decrease) during year (Line 6 minus line 13)	220,977	7,764	14
15		Balances at close of year (lines 1, 2, and 14)	4,764,559	48,372	15
16		Balance from line 15 (c)	48,372	N/A	16
17		(798) Total unappropriated retained earnings and equity in undistributed earnings (losses) of affiliated companies at end of year	4,812,931	N/A	17
18		(797) Total appropriated retained earnings:			18
19		Credits during year     \$ <u>    0    </u>			19
20		Debits during year     \$ <u>    0    </u>			20
21		Balance at close of year     \$ <u>    0    </u>			21
Amount of assigned Federal income tax consequences:					
22		Account 606     \$ <u>    0    </u>			22
23		Account 616     \$ <u>    0    </u>			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.

**230. CAPITAL STOCK**

**PART I. CAPITAL STOCK**

(Dollars in Thousands)

1. Disclose in column (a) the particulars of the various issues of capital stock of the respondent, distinguishing separate issues of any general class, if different in any respect.
2. Present in column (b) the par or stated value of each issue. If none, so state.
3. Disclose in columns (c), (d), (e), and (f) the required information concerning the number of shares authorized, issued, in treasury, and outstanding for the various issues.
4. For the purposes of this report, capital stock and other securities are considered to be nominally issued when certificates are signed and sealed and placed with the proper officer for sale and delivery or are pledged or otherwise placed in some special fund of the respondent. They are considered to be actually issued when sold to a bona fide purchaser who holds them free from control by the respondent. All securities actually issued and not reacquired by or for the respondent are considered to be actually outstanding. If reacquired by or for the respondent, and not canceled or retired, they are considered to be nominally outstanding.

Line No.	Class of Stock (a)	Par Value (b)	Number of Shares				Book Value at End of Year		Line No.
			Authorized (c)	Issued (d)	In Treasury (e)	Outstanding (f)	Outstanding (g)	In Treasury (h)	
1	Common	\$ 20.00	10,000,000	9,061,038	-	9,061,038	\$ 181,225	-	1
2									2
3									3
4	Preferred	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4
5									5
6									6
7									7
8									8
9									9
10									10

**PART II. SUMMARY OF CAPITAL STOCK CHANGES DURING YEAR**

(Dollars in Thousands)

1. The purpose of this part is to disclose capital stock changes during the year.
2. Column (a) presents the items to be disclosed.
3. Columns (b), (d), and (f) require disclosure of the number of shares of preferred, common, and treasury stock applicable to the items presented in column (a).
4. Columns (c), (e), and (g) require the disclosure of the book value of preferred, common, and treasury stock.
5. Disclose in column (h) the additional paid-in capital realized from changes in capital stock during the year.
6. Unusual circumstances arising from changes in capital stock shall be fully explained in footnotes to this schedule.

Line No.	Item (a)	Preferred Stock		Common Stock		Treasury Stock		Additional Capital \$ (h)	Line No.
		No. of Shares (b)	\$ Amount (c)	No. of Shares (d)	\$ Amount (e)	No. of Shares (f)	\$ Amount (g)		
11	Balance at beginning of year	-	\$ -	9,061,038	\$ 181,224			\$ 5,351,621	11
12	Capital stock sold 1								12
13	Capital stock reacquired								13
14	Capital stock cancelled								14
15	Other				1			68,595	15
16									16
17	Balance at close of year	-	\$ -	9,061,038	\$ 181,225	-	\$ -	\$ 5,420,216	17

NOTE: The amount in Other for Common Stock is the result of a rounding correction. The amount in Other for Additional Capital consists of the following: \$46,604 capital contribution from parent, \$26,516 tax effects compensation related to parent company stock, and (\$4,525) capital project transfer to an affiliate.

1 By footnote on page 17, state the purpose of the issue and authority.

**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 and 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 revenues and expense items that were not the result of operating cash transactions in the current period to reconcile it to net cash flow from operating activities. If the direct method is used, complete lines 1 through 41. If the indirect method is used, complete lines 10 through 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 finance 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	N/A	N/A	1
2		Dividends received from affiliates	N/A	N/A	2
3		Interest received	N/A	N/A	3
4		Other income	N/A	N/A	4
5		Cash paid for operating expenses	N/A	N/A	5
6		Interest paid (net of amounts capitalized)	N/A	N/A	6
7		Income taxes paid	N/A	N/A	7
8		Other - net	N/A	N/A	8
9		<b>NET CASH PROVIDED BY OPERATING ACTIVITIES (lines 1 through 8)</b>	<b>N/A</b>	<b>N/A</b>	<b>9</b>

**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:	963,017	692,472	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 investmen	-	3,681	11
12		Depreciation and amortization expenses	806,312	771,542	12
13		Net increase (decrease) in provision for Deferred Income Taxes	126,250	20,846	13
14		Net decrease (increase) in undistributed earnings (losses) of affiliates:	-	-	14
15		Decrease (increase) in accounts receivable	21,054	(108,904)	15
16		Decrease (increase) in material and supplies and other current assets	(5,161)	(50,223)	16
17		Increase (decrease) in current liabilities other than debt	(332,651)	(94,823)	17
18		Increase (decrease) in other - net	18,127	97,088	18
19		Net cash provided from continuing operations (lines 10 through 18)	1,596,948	1,331,679	19
20		Add (Subtract) cash generated (paid) by reason of discontinued operations and extraordinary items	-	-	20
21		<b>NET CASH PROVIDED FROM OPERATING ACTIVITIES (lines 19 and 20)</b>	<b>1,596,948</b>	<b>1,331,679</b>	<b>21</b>

**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	22,095	47,038	22
23		Capital expenditures	(1,554,391)	(1,065,681)	23
24		Net change in temporary cash investments not qualifying as cash equivalent	-	-	24
25		Proceeds from sale/repayment of investment and advances:	-	-	25
26		Purchase price of long-term investment and advances:	(1)	(168)	26
27		Net decrease (increase) in sinking and other special funds	-	-	27
28		Other - net	106,375	(26,325)	28
29		<b>NET CASH USED IN INVESTING ACTIVITIES (lines 22 through 28)</b>	<b>(1,425,922)</b>	<b>(1,045,136)</b>	<b>29</b>

(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	73,200	31,568	30
31		Principal payments of long-term debt	(128,451)	(134,597)	31
32		Proceeds from issuance of capital stock	-	-	32
33		Purchase price of acquiring treasury stock	-	-	33
34		Cash dividends paid	(130,000)	(200,001)	34
35		Other - net	31,496	(2,756)	35
36		NET CASH FROM FINANCING ACTIVITIES (lines 30 through 35)	(153,755)	(305,786)	36
37		NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (lines 21, 29, and 36)	17,271	(19,243)	37
38		Cash and cash equivalents at beginning of the year	(51)	19,192	38
39		CASH AND CASH EQUIVALENTS AT END OF THE YEAR (lines 37 & 38)	17,220	(51)	39
		Footnotes to Schedule			
		Cash paid during the year for:			
40		Interest (net of amount capitalized)*	79,125	85,606	40
41		Income taxes (net) *	272,405	201,956	41

\* Only applies if indirect method is adopted

NOTES AND REMARKS

Advances from CSX are included in the Increase (decrease) in current liabilities other than debt. The amounts for the years 2006 and 2005 are \$196,714 and \$177,177, respectively.

**245. WORKING CAPITAL**  
(Dollars in Thousands)

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

Line No.	Item (a)	Source	Amount (b)	Line No.
<b>CURRENT OPERATING ASSETS</b>				
1	Interline and other balances (705)	Sched. 200, line 5, col. b	8,037	1
2	Customers (706)	Sched. 200, line 6, col. b	556,405	2
3	Other (707)	Note A	121,490	3
4	<b>TOTAL CURRENT OPERATING ASSETS</b>	Lines 1 + 2 + 3	685,932	4
<b>OPERATING REVENUE</b>				
5	Railway operating revenue	Sched. 210, line 13, col. b	8,601,641	5
6	Rent income	Note B	139,831	6
7	<b>TOTAL OPERATING REVENUES</b>	Lines 5 + 6	8,741,472	7
8	Average daily operating revenues	Line 7 ÷ 360 days	24,282	8
9	Days of operating revenue in current operating assets	Line 4 ÷ Line 8	28	9
10	Revenue delay days plus buffer	Line 9 + 15 days	43	10
<b>CURRENT OPERATING LIABILITIES</b>				
11	Interline and other balances (752)	Sched. 200, line 31, col. b	26,045	11
12	Audited accounts and wages payable (753)	Note A	83,331	12
13	Accounts payable - other (754)	Note A	157,459	13
14	Other taxes accrued (761.5)	Note A	103,327	14
15	<b>TOTAL CURRENT OPERATING LIABILITIES</b>	Sum of lines 11 through 14	370,162	15
<b>OPERATING EXPENSES</b>				
16	Railway operating expenses	Sched. 210, line 14, col. b	7,006,252	16
17	Depreciation	Sched 410, lines 136, 137, 138, 213, 232, 317, col. h	806,312	17
18	Cash related operating expenses	Line 16 + line 6 - line 17	6,339,771	18
19	Average daily expenditures	Line 18 ÷ 360 days	17,610	19
20	Days of operating expenses in current operating liabilities	Line 15 ÷ line 19	21	20
21	Days of working capital required	Line 10 - line 20 (Note C)	22	21
22	Cash working capital required	Line 21 x line 19	387,430	22
23	Cash and temporary cash balance	Sched. 200, line 1 + line 2, col. b	17,220	23
24	Cash working capital allowed	Lesser of line 22 or line 23	17,220	24
<b>MATERIALS AND SUPPLIES</b>				
25	Total materials and supplies (712)	Note A	197,824	25
26	Scrap and obsolete material included in account 712	Note A	2,321	26
27	Materials and supplies held for common carrier purposes	Line 25 - line 26	195,503	27
28	<b>TOTAL WORKING CAPITAL</b>	Line 24 + line 27	212,723	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**

Page 26 Other Parties to Joint Control:

Line 01	Delaware & Hudson Operating Co. (operating as Canadian Pacific Rail System)
Line 02	Norfolk Southern Railway Company and Central of Georgia Railroad Company
Line 03	Various Carriers
Line 04	Various Individuals
Line 05	Norfolk Southern Railway Company
Line 06	Central of Georgia Railroad Company
Line 07	Norfolk Southern Railway Company
Line 08	Various Carriers
Line 09	Various Carriers
Line 10	Norfolk Southern Railway Company
Line 11	Alabama Great Southern Railroad Company
Line 13	Norfolk Southern Railway Company and Florida East Coast Railway, LLC
Line 15	CSX Business Management, Inc.
Line 16	Various Companies
Line 17	Helm General Corporation
Line 18	Riverview II Associates
Line 19	Various Companies/Individuals

## 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 investments 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 that 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 purpose 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 amount investments in which the original cost or present equity in total assets is less than \$10,000.
9. Include investments in unincorporated entities such as lessee organizations. Exclude amounts normally settled on a current basis.
10. Do not include the value of securities issued or assumed by respondent.
11. For affiliates which do not report to the Surface Transportation Board and are jointly owned, disclose in footnotes the name and extent of control of the other controlling entities.

**310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES**

(Dollars in Thousands)

1. Give particulars of investments in stocks, bonds, other secured obligations, unsecured notes, and investment advances of companies affiliated with respondent, from accounts 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. (a)	Class No. (b)	Kind of Industry (c)	Name of Issuing Company and also lien reference, if any (include rate for preferred stocks and bonds) (d)	Extent of Control (e)	Line No.
1	721	A-1	VII	Albany Port Railroad Corporation	50.00	1
2	721	A-1	VII	Augusta and Summerville Railroad Company	50.00	2
3	721	A-1	VII	The Belt Railway Company of Chicago	25.00	3
4	721	A-1	VII	Central Railroad Company of South Carolina	36.47	4
5	721	A-1	VII	Central Transfer Railway and Storage Company	50.00	5
6	721	A-1	VII	Chatham Terminal Company	50.00	6
7	721	A-1	VII	Norfolk and Portsmouth Belt Line Railroad Company	42.86	7
8	721	A-1	VII	Terminal Railroad Association of St. Louis	14.29	8
9	721	A-1	VII	TTX Company	19.59	9
10	721	A-1	VII	Winston-Salem Southbound Railway	50.00	10
11	721	A-1	VII	Woodstock & Blocton Railway Company	50.00	11
12				TOTAL CLASS A-1		12
13	721	A-3	X	Beaver Street Tower Company	50.00	13
14	721	A-3	X	CSX Corporation		14
15	721	A-3	VII	CSX Fiber Networks, LLC	97.45	15
16	721	A-3	VI	DOCP Acquisition, LLC	10.00	16
17	721	A-3	VII	Helm Chesapeake	50.00	17
18	721	A-3	VI	Richmond Center Association (Partnership)	50.00	18
19	721	A-3	VI	West Jax Development Company	9.92	19
20				TOTAL CLASS A-3		20
21				TOTAL STOCKS		21
22	721	B-1	VII	Washington and Franklin Railway Company - Matured 1/1/66		22
23				TOTAL CLASS B-1		23
24				TOTAL BONDS		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

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

(Dollars in Thousands)

- 6. If any of the companies included 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 case 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 include 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.

For affiliates which do not report to the Surface Transportation Board and are jointly owned, give names and extent of control by other entities by footnotes.

Line No.	Investments and advances				Disposed of profit (loss) (j)	Adjustments Account 721.5 (k)	Dividends or interest credited to income (l)	Line No.
	Opening Balance (f)	Additions (g)	Deductions (if other than sale, explain) (h)	Closing Balance (i)				
1	253			253				1
2	37			37				2
3	891			891				3
4	67			67			11	4
5	11			11				5
6	22			22				6
7	7			7				7
8	-			-				8
9	252			252				9
10	623			623				10
11	120	1		121				11
12	2,283	1	-	2,284	-	-	11	12
13	167			167				13
14	40,504			40,504			2,572	14
15	-			-				15
16	28,047			28,047				16
17	3,248			3,248				17
18	-			-				18
19	50			50			5	19
20	72,016	-	-	72,016	-	-	2,577	20
21	74,299	1	-	74,300	-	-	2,588	21
22	378			378				22
23	378	-	-	378	-	-	-	23
24	378	-	-	378	-	-	-	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

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

Line No.	Account No. (a)	Class No. (b)	Kind of Industry (c)	Name of Issuing Company and also lien reference, if any (include rate for preferred stocks and bonds) (d)	Extent of Control (e)	Line No.
1	721	E-1	VII	Paducah & Illinois Railroad Company		1
2	721	E-1	VII	Terminal Railroad Association of St. Louis		2
3				TOTAL CLASS E-1		3
4	721	E-2	VII	Winchester & Western Railroad Company		4
5				TOTAL CLASS E-2		5
6	721	E-3	X	Beaver Street Tower Company		6
7	721	E-3	X	Total Distributions Services, Inc.		7
8				TOTAL CLASS E-3		8
9				TOTAL INVESTMENT ADVANCES		9
10						10
11						11
12						12
13						13
14						14
15						15
16						16
17						17
18						18
19						19
20						20
21						21
22						22
23						23
24						24
25						25
26						26
27						27
28						28
29						29
30						30
31						31
32						32
33						33
34						34
35				SUMMARY		35
36	721			Stocks		36
37				Bonds		37
38				Other secured obligations		38
39				Investment advances		39
40				<b>GRAND TOTAL</b>		40

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

(Dollars in Thousands)

Line No.	Investments and Advances				Disposed of profit (loss) (j)	Adjustments Account 721.5 (k)	Dividends or interest credited to income (l)	Line No.
	Opening Balance (f)	Additions (g)	Deductions (if other than sale, explain) (h)	Closing Balance (i)				
1	576			576				1
2	-			-				2
3	576	-	-	576	-	-	-	3
4	36			36				4
5	36	-	-	36	-	-	-	5
6	10			10				6
7	43,421			43,421				7
8	43,431	-	-	43,431	-	-	-	8
9	44,043	-	-	44,043	-	-	-	9
10								10
11								11
12								12
13								13
14								14
15								15
16								16
17								17
18								18
19								19
20								20
21								21
22								22
23								23
24								24
25								25
26								26
27								27
28								28
29								29
30								30
31								31
32								32
33								33
34								34
35								35
36	74,299	1	-	74,300	-	-	2,588	36
37	378	-	-	378	-	-	-	37
38	-	-	-	-	-	-	-	38
39	44,043	-	-	44,043	-	-	-	39
40	<b>118,720</b>	<b>1</b>	<b>-</b>	<b>118,721</b>	<b>-</b>	<b>-</b>	<b>2,588</b>	40

**310A. INVESTMENTS IN COMMON STOCK OF AFFILIATED COMPANIES**

(Dollars in Thousands)

Undistributed Earnings From Certain Investments in Affiliated Companies

1. Report below the details of all investments in common stock 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)	Adjustments for investments equity method (c)	Equity in undistributed earnings (losses) during year (d)	Amortization during year (e)	Adjustment for investments disposed of or written down during year (f)	Balance at close of year (g)	Line No.
1	Carriers: (List specifics for each company)							1
2	Norfolk and Portsmouth Belt Line Railroad Company	1,823		393			2,216	2
3	TTX Company*	248,654		30,403			279,057	3
4	Winston-Salem Southbound Railway Company - Stock	5,606		(230)			5,376	4
5							-	5
6								6
7								7
8								8
9								9
10								10
11								11
12								12
13	<b>TOTAL CARRIERS</b>	256,083	-	30,566	-	-	286,649	13
14	Noncarriers: (List specifics for each company)							14
15	CSX Fiber Networks, LLC	20,210	38	6,812			27,060	15
16	Helm Chesapeake	294		258			552	16
17	Richmond Center Association (Partnership)	-	79	531			610	17
18								18
19								19
20								20
21								21
22								22
23								23
24								24
25								25
26	<b>TOTAL NON-CARRIERS</b>	20,504	117	7,601	-	-	28,222	26
27	<b>Grand Total</b>	276,587	117	38,167 *	-	-	314,871	27

\* Equity in undistributed earnings during the year for line 3 of \$30,403 is credited to rent expense due to the nature of operations, leaving \$7,764 applied to equity in undistributed earnings

**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 the amounts in columns (c) through (f). Column (h) is the aggregate of columns (b) through (f), inclusive. Grand totals of columns (b) and (h) should equal the sum of Accounts 731 and 732 for the respective periods; if not, a 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" in 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 included 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 Board 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 Board.
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 location and 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 the amount used in a footnote.

**NOTES AND REMARKS**

( ) = Credits  
Dollars in thousands

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

Line No.	Cross No.	Account (a)	Balance at Beginning of year (b)	Expenditures during the year for original road & equipment & road extensions (c)	Expenditures during the year for purchase of existing lines, reorganizations, etc. (d)	Line No.
1		(2) Land for transportation purposes	1,685,828			1
2		(3) Grading	2,278,840			2
3		(4) Other right-of-way expenditures	7,145			3
4		(5) Tunnels and subways	138,880			4
5		(6) Bridges, trestles and culverts	1,533,401			5
6		(7) Elevated structures	-			6
7		(8) Ties	3,046,283			7
8		(9) Rail and other track material	4,541,072			8
9		(11) Ballast	1,936,494			9
10		(13) Fences, snowsheds and signs	13,640			10
11		(16) Station and office buildings	572,934			11
12		(17) Roadway buildings	21,098			12
13		(18) Water stations	-			13
14		(19) Fuel stations	66,197			14
15		(20) Shops and enginehouses	294,247			15
16		(22) Storage warehouses	-			16
17		(23) Wharves and docks	1,343			17
18		(24) Coal and ore wharves	155,094			18
19		(25) TOFC/COFC terminals	104,372			19
20		(26) Communications systems	185,993			20
21		(27) Signals and interlockers	1,260,903			21
22		(29) Power plants	603			22
23		(31) Power transmission systems	39,981			23
24		(35) Miscellaneous structures	-			24
25		(37) Roadway machines	260,251			25
26		(39) Public improvements - construction	282,730			26
27		(44) Shop machinery	101,780			27
28		(45) Power plant machinery	2,223			28
29		Other lease/rentals	-			29
30		TOTAL EXPENDITURES FOR ROAD	18,531,332	-	-	30
31		(52) Locomotives	3,442,953			31
32		(53) Freight train cars	2,571,036			32
33		(54) Passenger train cars	738			33
34		(55) Highway revenue equipment	60			34
35		(56) Floating equipment	1,023			35
36		(57) Work equipment	94,692			36
37		(58) Miscellaneous equipment	226,675			37
38		(59) Computer systems & word processing equipment	(6,914)			38
39		TOTAL EXPENDITURES FOR EQUIPMENT	6,330,263	-	-	39
40		(76) Interest during construction	-			40
41		(80) Other elements of investment	-			41
42		(90) Construction work in progress	347,213			42
43		GRAND TOTAL	25,208,808	-	-	43

See Notes on Page 31.

**330. ROAD PROPERTY AND EQUIPMENT AND IMPROVEMENTS TO LEASED PROPERTY AND EQUIPMENT - (Continued)**  
(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		75,130	3,271	71,859	1,757,687	1
2		45,024	40,580	4,444	2,283,284	2
3		243	108	135	7,280	3
4		15	3,180	(3,165)	135,715	4
5		216,369	49,433	166,936	1,700,337	5
6		-	-	-	-	6
7		267,878	90,741	177,137	3,223,420	7
8		328,161	100,325	227,836	4,768,908	8
9		98,196	27,607	70,589	2,007,083	9
10		676	402	274	13,914	10
11		29,386	14,783	14,603	587,537	11
12		1,828	(431)	2,259	23,357	12
13		-	-	-	-	13
14		6,618	(251)	6,869	73,066	14
15		9,293	23,238	(13,945)	280,302	15
16		-	-	-	-	16
17		-	(848)	848	2,191	17
18		2,559	3,831	(1,272)	153,822	18
19		5,158	6,817	(1,659)	102,713	19
20		33,450	8,946	24,504	210,497	20
21		111,203	24,637	86,566	1,347,469	21
22		16	(915)	931	1,534	22
23		2,036	1,607	429	40,410	23
24		-	-	-	-	24
25		43,986	20,393	23,593	283,844	25
26		41,057	5,295	35,762	318,492	26
27		8,036	11,813	(3,777)	98,003	27
28		1,964	611	1,353	3,576	28
29		9,594	-	9,594	9,594	29
30		1,337,876	435,173	902,703	19,434,035	30
31		196,434	933	195,501	3,638,454	31
32		101,787	90,228	11,559	2,582,595	32
33		-	-	-	738	33
34		-	-	-	60	34
35		37	-	37	1,060	35
36		9,678	2,649	7,029	101,721	36
37		23,249	11,417	11,832	238,507	37
38		3,322	(7,673)	10,995	4,081	38
39		334,507	97,554	236,953	6,567,216	39
40		-	-	-	-	40
41		-	-	-	-	41
42		(44,735)	-	(44,735)	302,478	42
43		1,627,648	532,727	1,094,921	26,303,729	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 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, and 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 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 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.
- 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.
- Show in columns (e), (f), and (g) data applicable to lessor property, when the rent therefor is included in account nos. 31-11-00, 31-12-00, 31-13-00, 31-21-00, 31-22-00, and 31-23-00, inclusive.
- 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 affected account(s).
- 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)		
<b>ROAD</b>								
1	(3) Grading	2,278,840	2,283,284	1.25	4,983	4,983	1.25	1
2	(4) Other right-of-way expenditures	7,145	7,280	1.54	1	1	1.54	2
3	(5) Tunnels and subways	138,880	135,715	1.43	-	-	-	3
4	(6) Bridges, trestles and culverts	1,533,401	1,700,337	1.43	1,878	1,878	1.43	4
5	(7) Elevated structures	-	-	-	-	-	-	5
6	(8) Ties	3,046,283	3,223,420	3.43	1,170	1,170	3.43	6
7	(9) Rail and other track material	4,541,072	4,768,908	2.68	2,702	2,702	2.68	7
8	(11) Ballast	1,936,494	2,007,083	2.50	1,968	1,968	2.50	8
9	(13) Fences, snowsheds and signs	13,640	13,914	2.00	23	23	2.00	9
10	(16) Station and office buildings	572,934	587,537	2.50	548	548	2.50	10
11	(17) Roadway buildings	21,098	23,357	2.78	3	3	2.78	11
12	(18) Water stations	-	-	-	-	-	-	12
13	(19) Fuel stations	66,197	73,066	3.45	-	-	-	13
14	(20) Shops and enginehouses	294,247	280,302	2.94	3	3	2.94	14
15	(22) Storage warehouses	-	-	-	-	-	-	15
16	(23) Wharves and docks	1,343	2,191	2.22	-	-	-	16
17	(24) Coal and ore wharves	155,094	153,822	1.82	-	-	-	17
18	(25) TOFC/COFC terminals	104,372	102,713	3.13	-	-	-	18
19	(26) Communications systems	185,993	210,497	10.00	-	-	-	19
20	(27) Signals and interlockers	1,260,903	1,347,469	3.33	240	240	3.33	20
21	(29) Power plants	603	1,534	3.33	-	-	-	21
22	(31) Power transmission systems	39,981	40,410	1.82	-	-	-	22
23	(35) Miscellaneous structures	-	-	-	-	-	-	23
24	(37) Roadway machines	260,251	283,844	5.88	11	11	5.88	24
25	(39) Public improvements - construction	282,730	318,492	1.92	-	-	-	25
26	(44) Shop machinery	101,780	98,003	4.55	-	-	-	26
27	(45) Power plant machinery	2,223	3,576	3.13	-	-	-	27
28	All other road accounts	-	9,594	-	-	-	-	28
29	Amortization (other than def. projects)	-	-	-	-	-	-	29
30	<b>TOTAL ROAD</b>	<b>16,845,504</b>	<b>17,676,348</b>		<b>13,530</b>	<b>13,530</b>		<b>30</b>
<b>EQUIPMENT</b>								
31	(52) Locomotives	3,442,953	3,638,454	3.59	-	-	-	31
32	(53) Freight train cars	2,571,036	2,582,595	3.76	-	-	-	32
33	(54) Passenger train cars	738	738	-	-	-	-	33
34	(55) Highway revenue equipment	60	60	-	-	-	-	34
35	(56) Floating equipment	1,023	1,060	2.13	-	-	-	35
36	(57) Work equipment	94,692	101,721	2.83	-	-	-	36
37	(58) Miscellaneous equipment	226,675	238,507	10.81	-	-	-	37
38	(59) Computer systems & WP equipment	(6,914)	4,081	16.67	-	-	-	38
39	<b>TOTAL EQUIPMENT</b>	<b>6,330,263</b>	<b>6,567,216</b>		<b>-</b>	<b>-</b>		<b>39</b>
40	<b>GRAND TOTAL</b>	<b>23,175,767</b>	<b>24,243,564</b>	<b>NA</b>	<b>13,530</b>	<b>13,530</b>	<b>NA</b>	<b>40</b>

See Notes on Page 31.

**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 equipment. Include entries for depreciation of equipment owned but not used when the resulting rents are included in the "Lease Rentals - Credit - Equipment" accounts and "Other Rents - Credit - Equipment" accounts. Exclude any entries for depreciation of equipment that is used but not owned when the resulting rents are included in "Lease Rental - Debit - Equipment" accounts and "Other Rents - Debit - Equipment" accounts. (See Schedule 351 for 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 credits to reserves as shown in column (c) and charges to operating expenses, a full explanation should be given.
5. Enter amounts representing amortization under an authorized amortization program other than for defense projects on lines 29 and 39.

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO RESERVE During the year		DEBITS TO RESERVE During the year		Balance at close of year (g)	Line No.
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
<b>ROAD</b>									
1		(3) Grading	234,260	27,852	12,852	40,580	-	234,384	1
2		(4) Other right-of-way expenditures	1,896	142	(222)	108	-	1,708	2
3		(5) Tunnels and subways	24,058	1,737	1,512	3,180	-	24,127	3
4		(6) Bridges, trestles and culverts	112,267	33,067	13,217	49,433	-	109,118	4
5		(7) Elevated structures	4	-	-	-	-	4	5
6		(8) Ties	736,946	136,101	(23,199)	90,741	13,603	745,504	6
7		(9) Rail and other track material	662,371	138,740	197,331	100,606	10,254	887,582	7
8		(11) Ballast	540,903	49,913	(67,591)	27,608	-	495,617	8
9		(13) Fences, snowsheds and signs	6,820	289	(1,451)	402	-	5,256	9
10		(16) Station and office buildings	151,306	21,696	(8,897)	14,782	-	149,323	10
11		(17) Roadway buildings	10,412	497	(1,557)	(432)	-	9,784	11
12		(18) Water stations	-	-	-	-	-	-	12
13		(19) Fuel stations	15,651	2,615	2,646	(250)	-	21,162	13
14		(20) Shops and enginehouses	143,000	8,909	(13,097)	23,238	-	115,574	14
15		(22) Storage warehouses	-	-	-	-	-	-	15
16		(23) Wharves and docks	(2,067)	(382)	702	(848)	-	(899)	16
17		(24) Coal and ore wharves	110,825	4,320	(22,672)	3,831	-	88,642	17
18		(25) TOFC/COFC terminals	45,509	4,953	7,613	6,817	-	51,258	18
19		(26) Communications systems	129,158	26,878	(54,263)	8,946	-	92,827	19
20		(27) Signals and interlockers	160,728	48,168	35,955	24,636	-	220,215	20
21		(29) Power plants	(978)	(684)	329	(916)	-	(417)	21
22		(31) Power transmission systems	12,357	955	(273)	1,606	-	11,433	22
23		(35) Miscellaneous structures	-	-	-	-	-	-	23
24		(37) Roadway machines	58,663	15,325	184,143	20,355	-	237,776	24
25		(39) Public improvements - const	10,240	6,043	7,011	5,295	-	17,999	25
26		(44) Shop machinery	30,467	5,871	5,464	11,813	-	29,989	26
27		(45) Power plant machinery	2,641	350	(1,777)	612	-	602	27
28		All other road accounts	43,559	-	19,489	-	-	63,048	28
29		Amortization (adjustments)	26,761	14,434	(225,252)	-	-	(184,057)	29
30		<b>TOTAL ROAD</b>	<b>3,267,757</b>	<b>547,789</b>	<b>68,013</b>	<b>432,143</b>	<b>23,857</b>	<b>3,427,559</b>	<b>30</b>
<b>EQUIPMENT</b>									
31	*	(52) Locomotives	1,302,824	126,155	(130,976)	862	-	1,297,141	31
32	*	(53) Freight train cars	1,100,903	122,492	(21,124)	90,300	-	1,111,971	32
33	*	(54) Passenger train cars	-	-	-	-	-	-	33
34	*	(55) Highway revenue equipment	(5,801)	-	-	-	-	(5,801)	34
35	*	(56) Floating equipment	150	23	-	-	-	173	35
36	*	(57) Work equipment	13,974	4,559	9,117	2,627	-	25,023	36
37	*	(58) Miscellaneous equipment	150,550	26,705	(90,061)	11,416	-	75,778	37
38	*	(59) Computer systems & WP equip.	4,774	1,643	98	(7,673)	-	14,188	38
39	*	Amortization (adjustments)	(45,159)	(23,054)	255,516	-	-	187,303	39
40		<b>TOTAL EQUIPMENT</b>	<b>2,522,215</b>	<b>258,523</b>	<b>22,570</b>	<b>97,532</b>	<b>-</b>	<b>2,705,776</b>	<b>40</b>
41		<b>GRAND TOTAL</b>	<b>5,789,972</b>	<b>806,312</b>	<b>90,583</b>	<b>529,675</b>	<b>23,857</b>	<b>6,133,335</b>	<b>41</b>

A debit balance in columns (b) or (g) is indicated by ( )

Entries in columns (d) represent salvage (\$29M), recapture of depreciation expense on Roadway Machines dealing with track structure construction projects (\$26M), net book value of excess lines sold (\$15M), non-cash salvage for locomotives related to like kind exchanges (\$9M), asset retirement remediation costs related to environmental activity (\$6M), sale of assets between affiliates (\$4M), recapture of depreciation expense on ballast cars acquired via capital lease (\$2M). Entries in column (f) represent rail and tie cost of removal activity.

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

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

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO ACCOUNTS During the year		DEBITS TO ACCOUNTS During the year		Balance at close of year (g)	Line No.
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
		<b>ROAD</b>							
1		(3) Grading							1
2		(4) Other right-of-way expenditures							2
3		(5) Tunnels and subways							3
4		(6) Bridges, trestles and culverts							4
5		(7) Elevated structures							5
6		(8) Ties							6
7		(9) Rail and other track material							7
8		(11) Ballast							8
9		(13) Fences, 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							19
20		(27) Signals and interlockers							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		<b>TOTAL ROAD</b>							30
		<b>EQUIPMENT</b>							
31		(52) Locomotives							31
32		(53) Freight train cars							32
33		(54) Passenger train cars							33
34		(55) Highway revenue equipment							34
35		(56) Floating equipment							35
36		(57) Work equipment							36
37		(58) Miscellaneous equipment							37
38		(59) Computer systems & WP equipment							38
39		Amortization (adjustments)							39
40		<b>TOTAL EQUIPMENT</b>							40
41		<b>GRAND TOTAL</b>							41

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

**Included in Schedule 335**

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

1. Show in column (b) for each primary account the depreciation base used in computing the depreciation charges for the month of January, and in column (c) show the depreciation base used in computing the depreciation charges for the month of December, in column (d) show the composite rates used to compute depreciation charges for December, and on lines 30 and 40 of these columns show the composite percentage of all road and equipment accounts, respectively, ascertained by applying the primary account composite rates to the depreciation base used in computing the charges for December and dividing the total so computed by the total depreciation base for the same month. This schedule should include only improvements to leased property charged to Account 732, "Improvements on Leased Property." The 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 improvements to 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. 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 affected account(s).
4. Disclosures in the respective sections of this schedule may be omitted if either total road leased from others or total equipment leased from others represents less than 5% of total road owned or total equipment owned, respectively. However, line 41, Grand Total, should be completed.

Line No.	Account (a)	Depreciation Base		Annual composite rate (percent) (d)	Line No.
		Beginning of year (b)	Close of year (c)		
<b>ROAD</b>					
1	(3) Grading				1
2	(4) Other right-of-way expenditures				2
3	(5) Tunnels and subways				3
4	(6) Bridges, trestles and culverts				4
5	(7) Elevated structures				5
6	(8) Ties				6
7	(9) Rail and other track material				7
8	(11) Ballast				8
9	(13) Fences, 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				19
20	(27) Signals and interlockers				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	<b>TOTAL ROAD</b>				30
<b>EQUIPMENT</b>					
31	(52) Locomotives				31
32	(53) Freight train cars				32
33	(54) Passenger train cars				33
34	(55) Highway revenue equipment				34
35	(56) Floating equipment				35
36	(57) Work equipment				36
37	(58) Miscellaneous equipment				37
38	(59) Computer systems & WP equip.				38
39	Amortization (adjustments)				39
40	<b>TOTAL EQUIPMENT</b>				40
41	<b>GRAND TOTAL</b>				41

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

**Included in Schedule 332**

**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 on Leased Property," during the year relating to improvements made to road and equipment property leased from others, the depreciation charges for which are included in operating expenses of the respondent.
2. If any entries are made for column (d) "Other credits" or column (f) "Other debits", state the facts occasioning such entries on page 39. A debit balance in column (b) or (g) for any primary account should be shown in parenthesis or designated "Dr."
3. Any inconsistency between credits to the reserve as shown in column (c) and charges to operating expenses should be fully explained on page 39.
4. Show in column (e) the debits to the reserve arising from retirements. These debits should not exceed investment, etc.
5. 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)		
<b>ROAD</b>									
1		(3) Grading							1
2		(4) Other right-of-way expenditures							2
3		(5) Tunnels and subways							3
4		(6) Bridges, trestles and culverts							4
5		(7) Elevated structures							5
6		(8) Ties							6
7		(9) Rail and other track material							7
8		(11) Ballast							8
9		(13) Fences, snowsheds and signs							9
10		(16) Station and office buildings							10
11		(17) Roadway buildings							11
12		(18) Water stations							12
13		(19) Fuel stations							13
14		(20) Shops and enginehouses							14
15		(22) Storage warehouses							15
16		(23) Wharves and docks							16
17		(24) Coal and ore wharves							17
18		(25) TOFC/COFC terminals							18
19		(26) Communications systems							19
20		(27) Signals and interlockers							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		<b>TOTAL ROAD</b>							29
<b>EQUIPMENT</b>									
30		(52) Locomotives							30
31		(53) Freight train cars							31
32		(54) Passenger train cars							32
33		(55) Highway revenue equipment							33
34		(56) Floating equipment							34
35		(57) Work equipment							35
36		(58) Miscellaneous equipment							36
37		(59) Computer systems & WP equip.							37
38		<b>TOTAL EQUIPMENT</b>							38
39		<b>GRAND TOTAL</b>							39

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

**Included in Schedule 335**

NOTES AND REMARKS FOR SCHEDULE 342

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

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

Line No.	Account (a)	Depreciation Base		Annual composite rate (percent) (d)	Line No.
		Beginning of year (b)	Close of year (c)		
<b>ROAD</b>					
1	(3) Grading				1
2	(4) Other right-of-way expenditures				2
3	(5) Tunnels and subways				3
4	(6) Bridges, trestles and culverts				4
5	(7) Elevated structures				5
6	(8) Ties				6
7	(9) Rail and other track material				7
8	(11) Ballast				8
9	(13) Fences, 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				19
20	(27) Signals and interlockers				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	<b>TOTAL ROAD</b>				29
<b>EQUIPMENT</b>					
30	(52) Locomotives				30
31	(53) Freight train cars				31
32	(54) Passenger train cars				32
33	(55) Highway revenue equipment				33
34	(56) Floating equipment				34
35	(57) Work equipment				35
36	(58) Miscellaneous equipment				36
37	(59) Computer systems & WP equip.				37
38	<b>TOTAL EQUIPMENT</b>				38
39	<b>GRAND TOTAL</b>				39

**Included in Schedule 332**

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

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

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

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

**Included in Schedule 335**

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

1. Disclose the investment in railway property used in transportation service at the close of the year. This investment represents the aggregate of property owned or leased by respondent and used in respondent's transportation service. Such property includes (a) investment reported in Accounts 731, "Road and Equipment Property" and 732, "Improvements on Leased Property" of respondent, less any 731 or 732 property leased to others for their exclusive use of road, track, or bridges (including equipment or other railway property covered by the contract). Equipment leased to others under separate distinct contracts shall not be deducted from 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 or 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 columns (a) to (e), inclusive, first show the data requested for the respondent (R); next show 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 columns (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 to Accounts 731 and 732 on the books of companies whose names appear in column (b). Values of property of other carriers segregated by estimate or otherwise should correspond in amount to 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 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	CSX Transportation, Inc. - Consolidated	16,489	26,303,729	6,133,335	1
2						2
3	P	Augusta and Summerville Railroad Company		336	237	3
4	P	High Point, Thomasville & Denton Railroad	34	10,586	6,683	4
5	P	Winston-Salem Southbound Railway		29,163	19,987	5
6		Total Inactive or Proprietary Companies	34	40,085	26,907	6
7						7
8	O	Chicago, Rock Island & Pacific Railroad	86			8
9	O	Central Railroad Company of South Carolina	40	468		9
10	O	Dayton and Michigan Railroad	139	899		10
11	O	Norfolk Southern Railway Company	6			11
12	O	Strouds Creek and Muddlety Railroad	20	256	7	12
13	O	Southern Railway	9	262		13
14	O	Virginia Electric and Power Company (Mt. Storm Railroad)	15	3,158		14
15	O	Washington and Franklin Railway Company	32	520	27	15
16	O	Western & Atlantic Railroad	137	7,915	1,368	16
17	O	U.S. Steel Corporation	2	159		17
18		Total Other Leased Properties	486	13,637	1,402	18
19						19
20						20
21						21
22						22
23						23
24						24
25						25
26						26
27						27
28						28
29						29
30						30
31		<b>TOTAL</b>	17,009	26,357,451	6,161,644	31

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

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

Line No.	Cross Check	Account (a)	Respondent (b)	Lessor Railroads (c)	Inactive (proprietary companies) (d)	Other leased properties (e)	Line No.
1		(2) Land for transportation purposes	1,757,687	-		107	1
2		(3) Grading	2,283,284	2,110		4,983	2
3		(4) Other right-of-way expenditures	7,280	1		1	3
4		(5) Tunnels and subways	135,715			-	4
5		(6) Bridges, trestles and culverts	1,700,337	1,197		1,878	5
6		(7) Elevated structures	-	-		-	6
7		(8) Ties	3,223,421	13,568		1,170	7
8		(9) Rail and other track material	4,768,908	13,813		2,702	8
9		(11) Ballast	2,007,083	6,902		1,968	9
10		(13) Fences, snowsheds and signs	13,914	9		23	10
11		(16) Station and office buildings	587,537	337		548	11
12		(17) Roadway buildings	23,357	41		3	12
13		(18) Water stations	-	-		-	13
14		(19) Fuel stations	73,066	-		-	14
15		(20) Shops and enginehouses	280,302	37		3	15
16		(22) Storage warehouses	-	-		-	16
17		(23) Wharves and docks	2,191	-		-	17
18		(24) Coal and ore wharves	153,822	-		-	18
19		(25) TOFC/COFC terminals	102,713	2		-	19
20		(26) Communication systems	210,497	2		-	20
21		(27) Signals and interlockers	1,347,469	785		240	21
22		(29) Power plants	1,534	-		-	22
23		(31) Power transmission systems	40,409	-		-	23
24		(35) Miscellaneous structures	-	-		-	24
25		(37) Roadway machines	283,844	690		11	25
26		(39) Public improvements - constructor	318,492	365		-	26
27		(44) Shop machinery	98,003	-		-	27
28		(45) Power plant machinery	3,576	-		-	28
29		Leased property (capitalized rentals)	-	-		-	29
30		Other (specify and explain)	9,594	-		-	30
31		TOTAL ROAD	19,434,035	39,859	-	13,637	31
32		(52) Locomotives	3,638,454	-		-	32
33		(53) Freight train cars	2,582,595	-		-	33
34		(54) Passenger train cars	738	-		-	34
35		(55) Highway revenue equipment	60	-		-	35
36		(56) Floating equipment	1,060	-		-	36
37		(57) Work equipment	101,721	-		-	37
38		(58) Miscellaneous equipment	238,507	226		-	38
39		(59) Computer systems & WP equipment	4,081	-		-	39
40		TOTAL EQUIPMENT	6,567,216	226	-	-	40
41		(76) Interest during construction	-	-		-	41
42		(80) Other elements of investment	-	-		-	42
43		(90) Construction work in progress	302,478	-		-	43
44		GRAND TOTAL	26,303,729	40,085	-	13,637	44

## INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 410

## Cross Checks

Schedule 410		Schedule 210
Line 620, column (h)	=	Line 14, column (b)
Line 620, column (f)	=	Line 14, column (d)
Line 620, column (g)	=	Line 14, column (e)
		Schedule 412
Lines 136 through 138, column (f)	=	Line 29 column (b)
Lines 118 through 123 and 130 through 135, column (f)	=	Line 29, column (c)
		Schedule 414
Line 231, column (f)	=	Line 19, columns (b) through (d)
Line 230, column (f)	=	Line 19, columns (e) through (g)
		Schedule 415
Lines 207, 208, 211, 212, column (f)	=	Lines 5, 38, column (f)
Lines 226, 227, column (f)	=	Lines 24, 39, column (f)
Lines 311, 312, 315, 316, column (f)	=	Lines 32, 35, 36, 37, 40, 41, column (f)
		And Schedule 414
		Minus line 24, columns (b) through (d) plus line 24, columns (e) through (g)
		Schedule 415
Line 213, column (f)	=	Lines 5, 38, columns (c) and (d)
Line 232, column (f)	=	Lines 24, 39, columns (c) and (d)
Line 317, column (f)	=	Lines 32, 35, 36, 37, 40, 41, columns (c) and (d)
Lines 202, 203, 216, column (f), equal to or greater than, but variance cannot exceed line 216, column (f)		Lines 5, 38, column (b)
Lines 221, 222, 235, column (f), equal to or greater than, but variance cannot exceed line 235, column (f)		Lines 24, 39, column (b)
Lines 302 through 307 and 320, column (f), equal to or greater than, but variance cannot exceed line 320, column (f)		Lines 32, 35, 36, 37, 40, 41, column (b)
		Schedule 417
Line 507, column (f)	=	Line 1, column (j)
Line 508, column (f)	=	Line 2, column (j)
Line 509, column (f)	=	Line 3, column (j)
Line 510, column (f)	=	Line 4, column (j)
Line 511, column (f)	=	Line 5, column (j)
Line 512, column (f)	=	Line 6, column (j)
Line 513, column (f)	=	Line 7, column (j)
Line 514, column (f)	=	Line 8, column (j)
Line 515, column (f)	=	Line 9, column (j)
Line 516, column (f)	=	Line 10, column (j)
Line 517, column (f)	=	Line 11, column (j)
		Schedule 450
Line 4, column (b)	=	Line 47, column (b)
		Schedule 210

**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 rules governing the separation of such expenses between freight and passenger service.

Line No.	Cross Check	Name of railway operating expense account (a)	Salaries & Wages (b)	Material, tools supplies, fuels, & lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)	Line No.
		<b>WAY &amp; STRUCTURES</b>								
		<b>ADMINISTRATION</b>								
1		Track	4,253	4,046	5,907	6,226	20,432	N/A	20,432	1
2		Bridge & building	2,938	636	852	696	5,122	N/A	5,122	2
3		Signal	11,952	594	8,234	2,254	23,034	N/A	23,034	3
4		Communication	-	57	3,605	422	4,084	N/A	4,084	4
5		Other	17,083	(367)	1,976	11,836	30,528	N/A	30,528	5
		<b>REPAIRS AND MAINTENANCE</b>								
6		Roadway - running	32,565	8,755	12,736	5	54,061	N/A	54,061	6
7		Roadway - switching	5,829	159	576	39	6,603	N/A	6,603	7
8		Tunnels & subways - running	22	1	-	-	23	N/A	23	8
9		Tunnels & subways - switching	-	2,564	-	-	2,564	N/A	2,564	9
10		Bridges & culverts - running	13,024	1,777	1,513	3,172	19,486	N/A	19,486	10
11		Bridges & culverts - switching	118	-	-	-	118	N/A	118	11
12		Ties - running	1,627	2,419	6	186	4,238	N/A	4,238	12
13		Ties - switching	3,003	739	-	-	3,742	N/A	3,742	13
14		Rail & other track material - running	54,906	27,907	13,665	7,838	104,316	N/A	104,316	14
15		Rail & other track material - switching	7,376	1,560	1	146	9,083	N/A	9,083	15
16		Ballast - running	21,763	200	-	-	21,963	N/A	21,963	16
17		Ballast - switching	295	109	-	-	404	N/A	404	17
18		Road property damaged - running	3,391	53	16	-	3,460	N/A	3,460	18
19		Road property damaged - switching	371	1	-	-	372	N/A	372	19
20		Road property damaged - other	-	-	-	-	-	N/A	-	20
21		Signals & interlockers - running	36,774	14,670	5,245	2,651	59,340	N/A	59,340	21
22		Signals & interlockers - switching	13,072	1,157	2,699	-	16,928	N/A	16,928	22
23		Communications systems	26,058	5,425	9,079	523	41,085	N/A	41,085	23
24		Power systems	896	-	-	-	896	N/A	896	24
25		Highway grade crossings - running	11,837	416	1,215	-	13,468	N/A	13,468	25
26		Highway grade crossings - switching	61	56	386	-	503	N/A	503	26
27		Station & office buildings	5,324	1,515	5,070	844	12,753	N/A	12,753	27
28		Shop buildings - locomotives	3,899	1,818	3,001	86	8,804	N/A	8,804	28
29		Shop buildings - freight cars	342	426	2,764	11	3,543	N/A	3,543	29
30		Shop buildings - other equipment	1,653	3,122	3,303	-	8,078	N/A	8,078	30

**410. RAILWAY OPERATING EXPENSES (Continued)**

(Dollars in Thousands)

Line No.	Cross Check	Name of railway operating expense account (a)	Salaries & Wages (b)	Material, tools supplies, fuels, & lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)	Line No.
		REPAIRS AND MAINTENANCE - (Continued)								
101		Locomotive servicing facilities	3,681	73	-	-	3,754	N/A	3,754	101
102		Miscellaneous buildings & structures	1,685	16	31	19	1,751	N/A	1,751	102
103		Coal terminals	48	-	105	-	153	N/A	153	103
104		Ore terminals	-	-	93	-	93	N/A	93	104
105		Other marine terminals	1	-	1,475	-	1,476	N/A	1,476	105
106		TOFC/COFC terminals	-	908	-	-	908	N/A	908	106
107		Motor vehicle loading & distribution facilities	1	-	-	-	1	N/A	1	107
108		Facilities for other specialized service operations	18	16	-	-	34	N/A	34	108
109		Roadway machines	3,513	(263)	811	2,501	6,562	N/A	6,562	109
110		Small tools & supplies	-	-	-	-	-	N/A	-	110
111		Snow removal	554	-	212	-	766	N/A	766	111
112		Fringe benefits - running	N/A	N/A	N/A	84,583	84,583	N/A	84,583	112
113		Fringe benefits - switching	N/A	N/A	N/A	-	-	N/A	-	113
114		Fringe benefits - other	N/A	N/A	N/A	45,404	45,404	N/A	45,404	114
115		Casualties & insurance - running	N/A	N/A	N/A	33,393	33,393	N/A	33,393	115
116		Casualties & insurance - switching	N/A	N/A	N/A	4,101	4,101	N/A	4,101	116
117		Casualties & insurance - other	N/A	N/A	N/A	2,051	2,051	N/A	2,051	117
118	*	Lease rentals - debit - running	N/A	N/A	31,371	N/A	31,371	N/A	31,371	118
119	*	Lease rentals - debit - switching	N/A	N/A	-	N/A	-	N/A	-	119
120	*	Lease rentals - debit - other	N/A	N/A	19,722	N/A	19,722	N/A	19,722	120
121	*	Lease rentals - (credit) - running	N/A	N/A	(16,500)	N/A	(16,500)	N/A	(16,500)	121
122	*	Lease rentals - (credit) - switching	N/A	N/A	-	N/A	-	N/A	-	122
123		Lease rentals - (credit) - other	N/A	N/A	(16,402)	N/A	(16,402)	N/A	(16,402)	123
124		Joint facility rent - debit - running	N/A	N/A	-	N/A	-	N/A	-	124
125		Joint facility rent - debit - switching	N/A	N/A	19,502	N/A	19,502	N/A	19,502	125
126		Joint facility rent - debit - other	N/A	N/A	-	N/A	-	N/A	-	126
127		Joint facility rent - (credit) - running	N/A	N/A	(1)	N/A	(1)	N/A	(1)	127
128		Joint facility rent - (credit) - switching	N/A	N/A	-	N/A	-	N/A	-	128
129		Joint facility rent - (credit) - other	N/A	N/A	(16)	N/A	(16)	N/A	(16)	129
130	*	Other rents - debit - running	N/A	N/A	-	N/A	-	N/A	-	130
131	*	Other rents - debit - switching	N/A	N/A	-	N/A	-	N/A	-	131
132	*	Other rents - debit - other	N/A	N/A	-	N/A	-	N/A	-	132
133	*	Other rents - (credit) - running	N/A	N/A	-	N/A	-	N/A	-	133

<b>410. RAILWAY OPERATING EXPENSES (Continued)</b>										
(Dollars in Thousands)										
Line No.	Cross Check	Name of railway operating expense account (a)	Salaries & Wages (b)	Material, tools supplies, fuels, & lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)	Line No.
REPAIRS AND MAINTENANCE - Continued										
134	*	Other rents - (credit) - switching	N/A	N/A	-	N/A	-	N/A	-	134
135	*	Other rents - (credit) - other	N/A	N/A	-	N/A	-	N/A	-	135
136	*	Depreciation - running	N/A	N/A	N/A	328,100	328,100	N/A	328,100	136
137	*	Depreciation - switching	N/A	N/A	N/A	-	-	N/A	-	137
138	*	Depreciation - other	N/A	N/A	N/A	213,818	213,818	N/A	213,818	138
139		Joint facility - debit - running	N/A	N/A	-	N/A	-	N/A	-	139
140		Joint facility - debit - switching	N/A	N/A	9,851	N/A	9,851	N/A	9,851	140
141		Joint facility - debit - other	N/A	N/A	-	N/A	-	N/A	-	141
142		Joint facility - (credit) - running	N/A	N/A	(3)	N/A	(3)	N/A	(3)	142
143		Joint facility - (credit) - switching	N/A	N/A	-	N/A	-	N/A	-	143
144		Joint facility - (credit) - other	N/A	N/A	(560)	N/A	(560)	N/A	(560)	144
145		Dismantling retired road property - running	340	-	-	-	340	N/A	340	145
146		Dismantling retired road property - switching	-	-	-	-	-	N/A	-	146
147		Dismantling retired road property - other	2	-	-	-	2	N/A	2	147
148		Other - running	1,371	3,083	6,327	-	10,781	N/A	10,781	148
149		Other - switching	13,128	256	1,566	1,805	16,755	N/A	16,755	149
150		Other - other	208	367	1,255	5	1,835	N/A	1,835	150
151		<b>TOTAL WAY AND STRUCTURES</b>	<b>304,982</b>	<b>84,271</b>	<b>140,688</b>	<b>752,715</b>	<b>1,282,656</b>	<b>N/A</b>	<b>1,282,656</b>	<b>151</b>
EQUIPMENT										
LOCOMOTIVES										
201		Administration	15,611	728	4,233	1,946	22,518	N/A	22,518	201
202	*	Repair & maintenance	45,072	96,375	191,303	3,696	336,446	N/A	336,446	202
203	*	Machinery repair	1,079	800	207	-	2,086	N/A	2,086	203
204		Equipment damaged	14	-	909	-	923	N/A	923	204
205		Fringe benefits	N/A	N/A	N/A	44,971	44,971	N/A	44,971	205
206		Other casualties & insurance	N/A	N/A	N/A	14,753	14,753	N/A	14,753	206
207	*	Lease rentals - debit	N/A	N/A	64,518	N/A	64,518	N/A	64,518	207
208	*	Lease rentals - (credit)	N/A	N/A	(23)	N/A	(23)	N/A	(23)	208
209		Joint facility rent - debit	N/A	N/A	-	N/A	-	N/A	-	209
210		Joint facility rent - (credit)	N/A	N/A	-	N/A	-	N/A	-	210
211	*	Other rents - debit	N/A	N/A	-	N/A	-	N/A	-	211
212	*	Other rents - (credit)	N/A	N/A	-	N/A	-	N/A	-	212
213	*	Depreciation	N/A	N/A	N/A	116,408	116,408	N/A	116,408	213
214		Joint facility - debit	N/A	N/A	-	N/A	-	N/A	-	214
215		Joint facility - (credit)	N/A	N/A	-	N/A	-	N/A	-	215
216	*	Repairs billed to others - (credit)	N/A	N/A	-	N/A	-	N/A	-	216

**410. RAILWAY OPERATING EXPENSES (Continued)**

(Dollars in Thousands)

Line No.	Cross Check	Name of railway operating expense account (a)	Salaries & Wages (b)	Material, tools supplies, fuels, & lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)	Line No.
217		LOCOMOTIVES - Continued Dismantling retired property	-	-	-	-	-	N/A	-	217
218		Other	-	169	1,737	-	1,906	N/A	1,906	218
219		<b>TOTAL LOCOMOTIVES</b>	61,776	98,072	262,884	181,774	604,506	N/A	604,506	219
220		<b>FREIGHT CARS</b> Administration	6,882	822	2,955	6,441	17,100	N/A	17,100	220
221	*	Repair & maintenance	61,243	86,533	37,066	3,937	188,779	N/A	188,779	221
222	*	Machinery repair	114	378	1,741	-	2,233	N/A	2,233	222
223		Equipment damaged	-	-	13,386	-	13,386	N/A	13,386	223
224		Fringe benefits	N/A	N/A	N/A	30,004	30,004	N/A	30,004	224
225		Other casualties & insurance	N/A	N/A	N/A	22,554	22,554	N/A	22,554	225
226	*	Lease rentals - debit	N/A	N/A	59,020	N/A	59,020	N/A	59,020	226
227	*	Lease rentals - (credit)	N/A	N/A	-	N/A	-	N/A	-	227
228		Joint facility rent - debit	N/A	N/A	-	N/A	-	N/A	-	228
229		Joint facility rent - (credit)	N/A	N/A	-	N/A	-	N/A	-	229
230	*	Other rents - debit	N/A	N/A	338,267	N/A	338,267	N/A	338,267	230
231	*	Other rents - (credit)	N/A	N/A	(79,683)	N/A	(79,683)	N/A	(79,683)	231
232	*	Depreciation	N/A	N/A	N/A	121,921	121,921	N/A	121,921	232
233		Joint facility - debit	N/A	N/A	-	N/A	-	N/A	-	233
234		Joint facility - (credit)	N/A	N/A	-	N/A	-	N/A	-	234
235	*	Repairs billed to others - (credit)	N/A	N/A	(97,278)	N/A	(97,278)	N/A	(97,278)	235
236		Dismantling retired property	-	-	-	-	-	N/A	-	236
237		Other	-	169	2,317	-	2,486	N/A	2,486	237
238		<b>TOTAL FREIGHT CARS</b>	68,239	87,902	277,791	184,857	618,789	N/A	618,789	238
301		<b>OTHER EQUIPMENT</b> Administration	-	56	386	1,453	1,895	N/A	1,895	301
302	*	Repair & maintenance: Trucks, trailers, & containers - revenue service	-	-	-	-	-	N/A	-	302
303	*	Floating equipment - revenue service	-	-	-	-	-	N/A	-	303
304	*	Passenger & other revenue equipment	-	-	-	-	-	N/A	-	304
305	*	Computers and data processing equipment	-	159	-	-	159	N/A	159	305
306	*	Machinery	55	1,384	326	-	1,765	N/A	1,765	306
307	*	Work & other non-revenue equipment	142	22	29,686	14	29,864	N/A	29,864	307
308		Equipment damaged	-	-	-	-	-	N/A	-	308
309		Fringe benefits	N/A	N/A	N/A	96	96	N/A	96	309
310		Other casualties & insurance	N/A	N/A	N/A	2,051	2,051	N/A	2,051	310
311	*	Lease rentals - debit	N/A	N/A	7,867	N/A	7,867	N/A	7,867	311
312	*	Lease rentals - (credit)	N/A	N/A	(27,206)	N/A	(27,206)	N/A	(27,206)	312

<b>410. RAILWAY OPERATING EXPENSES (Continued)</b>										
(Dollars in Thousands)										
Line No.	Cross Check	Name of railway operating expense account (a)	Salaries & Wages (b)	Material, tools supplies, fuels, & lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)	Line No.
OTHER EQUIPMENT - Continued										
313		Joint facility rent - debit	N/A	N/A	-	N/A	-	N/A	-	313
314		Joint facility rent - (credit)	N/A	N/A	-	N/A	-	N/A	-	314
315	*	Other rents - debit	N/A	N/A	6,952	N/A	6,952	N/A	6,952	315
316	*	Other rents - (credit)	N/A	N/A	-	N/A	-	N/A	-	316
317	*	Depreciation	N/A	N/A	N/A	26,065	26,065	N/A	26,065	317
318		Joint facility - debit	N/A	N/A	-	N/A	-	N/A	-	318
319		Joint facility - (credit)	N/A	N/A	-	N/A	-	N/A	-	319
320	*	Repairs billed to others - (credit)	N/A	N/A	-	N/A	-	N/A	-	320
321		Dismantling retired property	-	-	-	-	-	N/A	-	321
322		Other	-	169	1,157	-	1,326	N/A	1,326	322
323		TOTAL OTHER EQUIPMENT	197	1,790	19,168	29,679	50,834	N/A	50,834	323
324		TOTAL EQUIPMENT	130,212	187,764	559,843	396,310	1,274,129	N/A	1,274,129	324
TRANSPORTATION										
TRAIN OPERATIONS										
401		Administration	64,389	797	(11,825)	21,264	74,625	N/A	74,625	401
402		Engine crews	219,904	-	740	355	220,999	N/A	220,999	402
403		Train crews	419,487	(1,990)	995	45,965	464,457	N/A	464,457	403
404		Dispatching trains	65,700	103	6,341	3,038	75,182	N/A	75,182	404
405		Operating signals & interlockers	1,892	343	2,313	32	4,580	N/A	4,580	405
406		Operating drawbridges	2,429	-	2	49	2,480	N/A	2,480	406
407		Highway crossing protection	9	56	1,546	-	1,611	N/A	1,611	407
408		Train inspection & lubrication	58,727	6,367	1,350	613	67,057	N/A	67,057	408
409		Locomotive fuel	-	1,001,812	-	-	1,001,812	N/A	1,001,812	409
410		Electric power produced or purchased for motive power	-	-	-	-	-	N/A	-	410
411		Servicing locomotives	41,317	3,185	1,601	1,441	47,544	N/A	47,544	411
412		Freight lost or damaged - solely related	N/A	N/A	N/A	-	-	N/A	-	412
413		Clearing wrecks	372	-	8,609	-	8,981	N/A	8,981	413
414		Fringe benefits	N/A	N/A	N/A	350,724	350,724	N/A	350,724	414
415		Other casualties & insurance	N/A	N/A	N/A	48,985	48,985	N/A	48,985	415
416		Joint facility - debit	N/A	N/A	86,094	N/A	86,094	N/A	86,094	416
417		Joint facility - (credit)	N/A	N/A	-	N/A	-	N/A	-	417
418		Other	7,261	732	11,402	1,575	20,970	N/A	20,970	418
419		TOTAL TRAIN OPERATIONS	881,487	1,011,405	109,168	474,041	2,476,101	N/A	2,476,101	419
YARD OPERATIONS										
420		Administration	10,826	1,305	2,263	8,747	23,141	N/A	23,141	420
421		Switch crews	209,188	779	1,020	33,865	244,852	N/A	244,852	421

**410. RAILWAY OPERATING EXPENSES (Continued)**

(Dollars in Thousands)

Line No.	Cross Check	Name of railway operating expense account (a)	Salaries & Wages (b)	Material, tools supplies, fuels, & lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)	Line No.
YARD OPERATIONS - Continued										
422		Controlling operations	39,552	88	1,800	5,764	47,204	N/A	47,204	422
423		Yard and terminal clerical	22,680	43	607	2,464	25,794	N/A	25,794	423
424		Operating switches, signals, retarders, & humps	3,242	348	3,189	438	7,217	N/A	7,217	424
425		Locomotive fuel	-	109,470	-	-	109,470	N/A	109,470	425
426		Electric power produced or purchased for motive power	-	-	-	-	-	N/A	-	426
427		Servicing locomotives	12,140	51	20	1,524	13,735	N/A	13,735	427
428		Freight lost or damaged - solely related	N/A	N/A	N/A	-	-	N/A	-	428
429		Clearing wrecks	420	-	8,609	-	9,029	N/A	9,029	429
430		Fringe benefits	N/A	N/A	N/A	123,074	123,074	N/A	123,074	430
431		Other casualties & insurance	N/A	N/A	N/A	46,202	46,202	N/A	46,202	431
432		Joint facility - debit	N/A	N/A	37,386	N/A	37,386	N/A	37,386	432
433		Joint facility - (credit)	N/A	N/A	(55,659)	N/A	(55,659)	N/A	(55,659)	433
434		Other	4,160	561	7,166	1,249	13,136	N/A	13,136	434
435		<b>TOTAL YARD OPERATIONS</b>	<b>302,208</b>	<b>112,645</b>	<b>6,401</b>	<b>223,327</b>	<b>644,581</b>	<b>N/A</b>	<b>644,581</b>	<b>435</b>
TRAIN AND YARD OPERATIONS COMMON:										
501		Cleaning car interiors	1	-	3,292	N/A	3,293	N/A	3,293	501
502		Adjusting & transferring loads	7	8	4,910	N/A	4,925	N/A	4,925	502
503		Car loading devices & grain docks	-	1,005	-	N/A	1,005	N/A	1,005	503
504		Freight lost or damaged - all other	N/A	N/A	N/A	20,170	20,170	N/A	20,170	504
505		Fringe benefits	N/A	N/A	N/A	-	-	N/A	-	505
506		<b>TOTAL TRAIN AND YARD OPERATIONS COMMON</b>	<b>8</b>	<b>1,013</b>	<b>8,202</b>	<b>20,170</b>	<b>29,393</b>	<b>N/A</b>	<b>29,393</b>	<b>506</b>
SPECIALIZED SERVICE OPERATIONS										
507	*	Administration	-	-	-	-	-	N/A	-	507
508	*	Pickup & delivery and marine line haul	-	-	169	-	169	N/A	169	508
509	*	Loading & unloading and local marine	11,860	3,819	108,394	188	124,261	N/A	124,261	509
510	*	Protective services	-	-	-	-	-	N/A	-	510
511	*	Freight lost or damaged - solely related	N/A	N/A	N/A	-	-	N/A	-	511
512	*	Fringe benefits	N/A	N/A	N/A	4,870	4,870	N/A	4,870	512
513	*	Casualties & insurance	N/A	N/A	N/A	-	-	N/A	-	513
514	*	Joint facility - debit	N/A	N/A	6,211	N/A	6,211	N/A	6,211	514
515	*	Joint facility - (credit)	N/A	N/A	-	N/A	-	N/A	-	515
516	*	Other	-	-	-	-	-	N/A	-	516
517	*	<b>TOTAL SPECIALIZED SERVICES OPERATIONS</b>	<b>11,860</b>	<b>3,819</b>	<b>114,774</b>	<b>5,058</b>	<b>135,511</b>	<b>N/A</b>	<b>135,511</b>	<b>517</b>

<b>410. RAILWAY OPERATING EXPENSES (Continued)</b>										
(Dollars in Thousands)										
Line No.	Cross Check	Name of railway operating expense account (a)	Salaries & Wages (b)	Material, tools supplies, fuels, & lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)	Passenger (g)	Total (h)	Line No.
<b>ADMINISTRATIVE SUPPORT OPERATIONS:</b>										
518		Administration	17,365	51	2,564	7,241	27,221	N/A	27,221	518
519		Employees performing clerical & accounting functions	34,363	97	1,231	1,725	37,416	N/A	37,416	519
520		Communication systems operations	589	-	-	-	589	N/A	589	520
521		Loss & damage claims processing	-	-	2,138	-	2,138	N/A	2,138	521
522		Fringe benefits	N/A	N/A	N/A	23,385	23,385	N/A	23,385	522
523		Casualties & insurance	N/A	N/A	N/A	2,663	2,663	N/A	2,663	523
524		Joint facility - debit	N/A	N/A	-	N/A	-	N/A	-	524
525		Joint facility - (credit)	N/A	N/A	-	N/A	-	N/A	-	525
526		Other	-	169	4,434	7,675	12,278	N/A	12,278	526
527		<b>TOTAL ADMINISTRATIVE SUPPORT OPERATIONS</b>	<b>52,317</b>	<b>317</b>	<b>10,367</b>	<b>42,689</b>	<b>105,690</b>	<b>N/A</b>	<b>105,690</b>	<b>527</b>
528		<b>TOTAL TRANSPORTATION</b>	<b>1,247,880</b>	<b>1,129,199</b>	<b>248,912</b>	<b>765,285</b>	<b>3,391,276</b>	<b>N/A</b>	<b>3,391,276</b>	<b>528</b>
<b>GENERAL AND ADMINISTRATIVE</b>										
601		Officers - general administration	14,775	5,426	84,018	4,758	108,977	N/A	108,977	601
602		Accounting, auditing, & finance	13,170	722	77,472	1,187	92,551	N/A	92,551	602
603		Management services & data processing	1,211	(243)	177,941	2,065	180,974	N/A	180,974	603
604		Marketing	14,278	-	5,116	27,010	46,404	N/A	46,404	604
605		Sales	14,652	3	(30)	2,974	17,599	N/A	17,599	605
606		Industrial development	1,916	-	245	977	3,138	N/A	3,138	606
607		Personnel & labor relations	14,451	30	37,958	2,002	54,441	N/A	54,441	607
608		Legal & secretarial	10,082	401	135,127	4,493	150,103	N/A	150,103	608
609		Public relations & advertising	1,923	2	53,736	650	56,311	N/A	56,311	609
610		Research & development	1,538	-	11	982	2,531	N/A	2,531	610
611		Fringe benefits	N/A	N/A	N/A	171,593	171,593	N/A	171,593	611
612		Casualties & insurance	N/A	N/A	N/A	13,916	13,916	N/A	13,916	612
613		Write-down of uncollectible accounts	N/A	N/A	N/A	3,259	3,259	N/A	3,259	613
614		Property taxes	N/A	N/A	N/A	96,899	96,899	N/A	96,899	614
615		Other taxes except on corporate income or payroll	N/A	N/A	N/A	51,411	51,411	N/A	51,411	615
616		Joint facility - debit	N/A	N/A	14,646	N/A	14,646	N/A	14,646	616
617		Joint facility - (credit)	N/A	N/A	-	N/A	-	N/A	-	617
618		Other	40,702	36,990	8,815	(93,069)	(6,562)	N/A	(6,562)	618
619		<b>TOTAL GENERAL AND ADMINISTRATIVE</b>	<b>128,698</b>	<b>43,331</b>	<b>595,055</b>	<b>291,107</b>	<b>1,058,191</b>	<b>N/A</b>	<b>1,058,191</b>	<b>619</b>
620	*	<b>TOTAL CARRIER OPERATING EXPENSES</b>	<b>1,811,772</b>	<b>1,444,565</b>	<b>1,544,498</b>	<b>2,205,417</b>	<b>7,006,252</b>	<b>N/A</b>	<b>7,006,252</b>	<b>620</b>

**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 lease/rentals reported in column (c), line 29, should balance 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 category is not known, apportion the lease/rentals based on the percentage of the categories' depreciation bases for all categories of depreciable leased property. Use Schedule 352B of this report to obtain the depreciation bases of the categories of leased property.
4. Amortization adjustment of each road property type which is included in column (b) shall be repeated in column (d) as a debit or credit to the appropriate line item. The net adjustment on line 29 shall equal the adjustment reported on line 29 of Schedule 335.
5. Report on line 28 all other lease rentals not apportioned in any category listed on lines 1 through 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 purposes	N/A	-	-	1
2		3	Grading	28,696	-	844	2
3		4	Other right-of-way expenditures	128	-	(14)	3
4		5	Tunnels and subways	1,836	-	99	4
5		6	Bridges, trestles and culverts	33,943	-	876	5
6		7	Elevated structures	-	-	-	6
7		8	Ties	134,574	-	(1,527)	7
8		9	Rail and other track material	150,501	-	11,761	8
9		11	Ballast	45,474	-	(4,439)	9
10		13	Fences, snowsheds and signs	194	-	(95)	10
11		16	Station and office buildings	21,000	-	(696)	11
12		17	Roadway buildings	397	-	(100)	12
13		18	Water stations	-	-	-	13
14		19	Fuel stations	2,655	-	40	14
15		20	Shops and enginehouses	8,030	-	(879)	15
16		22	Storage warehouses	-	-	-	16
17		23	Wharves and docks	(336)	-	46	17
18		24	Coal and ore wharves	2,831	-	(1,489)	18
19		25	TOFC/COFC terminals	5,453	-	500	19
20		26	Communications systems	23,315	-	(3,563)	20
21		27	Signals and interlockers	50,481	-	2,313	21
22		29	Power plants	(665)	-	19	22
23		31	Power transmission systems	937	-	(18)	23
24		35	Miscellaneous structures	-	-	-	24
25		37	Roadway machines	25,738	-	10,413	25
26		39	Public improvements; construction	6,503	-	460	26
27		45	Power plant machines	233	-	(117)	27
28			Other lease/rentals	N/A	18,191	N/A	28
29			TOTAL	541,918	18,191	14,434	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 Schedules 410, 414, and 415 "Other Equipment" is outlined in note 6 to Schedule 415.
4. Report in columns (b) and (e) rentals for private-line cars (whether under railroad control or not) and shipper owned cars.
5. Report in columns (c), (d), (f), and (g) rentals for railroad owned cars prescribed by the Board in Ex Parte no. 334, for which rentals are settled on a combination mileage and time basis (basic per diem). Include railroad owned per diem tank cars on line 17.

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

Line No.	Cross Check	Type of Equipment (a)	GROSS AMOUNTS RECEIVABLE Per Diem Basis			GROSS AMOUNTS PAYABLE Per Diem Basis			Line No.
			Private Line Cars (b)	Mileage (c)	Time (d)	Private Line Cars (e)	Mileage (f)	Time (g)	
<b>CAR TYPES</b>									
1		Box - Plain 40 Foot	-	-	-	-	-	-	1
2		Box - Plain 50 Foot and Longer	-	2	(131)	8,174	1,228	3,810	2
3		Box - Equipped	-	6,806	23,515	8,676	21,021	65,955	3
4		Gondola - Plain	-	230	464	1,097	818	1,313	4
5		Gondola - Equipped	-	3,493	15,020	(38)	3,279	8,432	5
6		Hopper - Covered	-	2,344	11,995	9,467	7,045	19,096	6
7		Hopper - Open Top - General Service	-	277	1,468	-	2,607	4,754	7
8		Hopper - Open Top - Special Service	-	139	1,430	-	1,098	1,849	8
9		Refrigerator - Mechanical	-	-	(11)	-	3,831	7,487	9
10		Refrigerator - Nonmechanical	-	220	694	(55)	2,995	6,085	10
11		Flat - TOFC/COFC	-	-	-	-	-	-	11
12		Flat - Multi-Level	(17,953)	344	583	38,249	4,316	13,195	12
13		Flat - General Service	-	-	(2)	77	32	96	13
14		Flat - Other	-	96	(49)	27,737	6,318	17,350	14
15		Tank - Under 22,000 Gallons	-	-	-	6,400	-	-	15
16		Tank - 22,000 Gallons and Over	-	-	(2)	6,676	-	-	16
17		All Other Freight Cars	-	1	17	(6)	27	89	17
18		Auto Racks	-	-	28,693	-	-	27,687	18
19		<b>TOTAL FREIGHT TRAIN CARS</b>	<b>(17,953)</b>	<b>13,952</b>	<b>83,684</b>	<b>106,454</b>	<b>54,615</b>	<b>177,198</b>	19
<b>OTHER FREIGHT-CARRYING EQUIPMENT</b>									
20		Refrigerated Trailers	-	-	-	-	-	-	20
21		Other Trailers	-	-	-	-	-	-	21
22		Refrigerated Containers	-	-	-	-	-	-	22
23		Other Containers	-	-	-	-	-	-	23
24	*	<b>TOTAL TRAILERS AND CONTAINERS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	24
25		<b>GRAND TOTAL (Lines 19 and 24)</b>	<b>(17,953)</b>	<b>13,952</b>	<b>83,684</b>	<b>106,454</b>	<b>54,615</b>	<b>177,198</b>	25

**NOTES AND REMARKS**

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

1. Report freight expenses only.
2. Report by type of equipment all natural expenses relating to the 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 on columns (c) and (d) will balance to Schedule 410, column (f) as follows:

- (a) Locomotives, lines 5 and 38, compared to Schedule 410, line 213.
- (b) Freight cars, lines 24 and 39, compared to Schedule 410, line 232.
- (c) Sum of highway equipment (line 32), floating equipment (line 35), passenger and other revenue equipment (line 36), computer and data processing equipment (line 37), machinery-other equipment (line 40), and work and other non-revenue equipment (line 41), compared to Schedule 410, line 317.

5. Amortization adjustment of each equipment type which is included in column (c) shall be reported in column (e) as a debit or credit to the appropriate line item. The net adjustment on line 43 shall equal the equipment amortization adjustment applicable to equipment used in freight service included in line 39, column (c), of Schedule 335.

6. Lease/rentals reported in column (f) should balance to column (f) of Schedule 410 as follows:

- (a) Locomotives, lines 5 and 38, compared to Schedule 410, lines 207, 208, 211, and 212.
- (b) Freight cars, lines 24 and 39, compared to Schedule 410, lines 226 and 227 (note that Schedule 410, lines 230 and 231, are reported in Schedule 414 and are not to be included in Schedule 415).
- (c) Sum of lease/rentals for all other equipment, lines 32, 35, 36, 37, 40, and 41, will balance to Schedule 410, lines 311, 312, 315, and 316, except for the interchange rental on trailers and containers which is reported in Schedule 414. Therefore, both Schedules 414 and 415 should be used when balancing lease/rentals other equipment to Schedule 410. Do not report in Schedule 415 the trailer and container rentals reported in Schedule 414.

7. Investment base by types of equipment shall be reported in columns (g) and (h) and should not include the cost of equipment used but not owned when rents therefore are included in the rent for equipment and Account Nos. 31-21-00, 31-22-00, 31-23-00, 35-21-00, 35-22-00, and 35-23-00. It should include the cost of equipment owned and leased to others when the rents are included in the rent for Equipment Account Nos. 32-21-00, 32-22-00, 32-23-00, 36-21-00, 36-22-00, and 36-23-00.

Property used but not owned should also be included when the rent is included in Account Nos. 31-12-00, 31-13-00, 31-21-00, 31-22-00, and 31-23-00, inclusive.

The grand total of each equipment account in column (h) of Schedule 330 should equal the totals of line items constituting the equipment account totals of columns (g) and (h) of Schedule 415.

8. Accumulated depreciation for each class of equipment shall be reported in columns (i) and (j). The grand total of each equipment reserve account in column (g), Schedule 335, shall equal the combined aggregate total accumulated depreciation for line items constituting the corresponding equipment accounts reported in columns (i) and (j), on Schedule 415.

415. SUPPORTING SCHEDULE - EQUIPMENT							
(Dollars in Thousands)							
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	33,644	877		(121)	1
2		Diesel Locomotive - Road	302,802	108,808	1,411	(12,373)	2
3		Other Locomotive - Yard	-	-		-	3
4		Other Locomotive - Road	-	2,260		(306)	4
5	*	TOTAL LOCOMOTIVES	336,446	111,945	1,411	(12,800)	5
		FREIGHT TRAIN CARS					
6		Box - Plain 40 foot	-	340		(11)	6
7		Box - Plain 50 foot and Longer	10	4,203	1,393	(139)	7
8		Box - Equipped	19,790	11,229	7,887	(330)	8
9		Gondola - Plain	2,571	3,960		(116)	9
10		Gondola - Equipped	15,820	9,558		(290)	10
11		Hopper - Covered	18,285	16,321		(531)	11
12		Hopper - Open Top - General Service	8,081	28,229	1,664	(774)	12
13		Hopper - Open Top - Special Service	3,608	10,027		(230)	13
14		Refrigerator - Mechanical	-	-		-	14
15		Refrigerator - Nonmechanical	1,126	-		-	15
16		Flat - TOFC/COFC	-	-		-	16
17		Flat - Multi-level	-	5		-	17
18		Flat - General Service	-	37		(2)	18
19		Flat - Other	287	631		(25)	19
20		All Other Freight Cars	6,041	1,628		(60)	20
21		Cabooses	-	665		(19)	21
22		Auto Racks	15,882	18,793	3,003	(392)	22
23		Miscellaneous Accessories	-	-		-	23
24	*	TOTAL FREIGHT TRAIN CARS	91,501	105,626	13,947	(2,919)	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	-	22		-	33
34		Local Marine	-	-		-	34
35	*	TOTAL FLOATING EQUIPMENT	-	22	-	-	35
		OTHER EQUIPMENT					
36	*	Passenger & Other Revenue Equipment (Freight Portion)	-	-	-	-	36
37	*	Computer Systems & Word Processing Equip.	159	1,643	-	-	37
38	*	Machinery - Locomotives (1)	2,086	3,052	-	-	38
39	*	Machinery - Freight Cars (2)	2,233	2,348	-	-	39
40	*	Machinery - Other Equipment (3)	1,765	471	-	-	40
41	*	Work and Other Nonrevenue Equipment	29,864	23,929	-	(7,335)	41
42		TOTAL OTHER EQUIPMENT	36,107	31,443	-	(7,335)	42
43		TOTAL ALL EQUIPMENT (FREIGHT PORTION)	464,054	249,036	15,358	(23,054)	43

- (1) Data reported on line 38, column (b) is the amount reported in Sched. 410, column (f), line 203, reduced by the allocable portion of line 216.
- (2) Data reported on line 39, column (b) is the amount reported in Sched. 410, column (f), line 222, reduced by the allocable portion of line 235.
- (3) Data reported on line 40, column (b) is the amount reported in Sched. 410, column (f), lines 302 through 306, reduced by the allocable portion of line 320.

415. SUPPORTING SCHEDULE - EQUIPMENT - (Continued)

Line No.	Cross Check	Lease & 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		2,625	29,523	-	10,666	-	1
2		61,870	3,470,842	62,998	1,253,930	5,416	2
3		-	-	-	-	-	3
4		-	75,091	-	27,129	-	4
5	*	64,495	3,575,456	62,998	1,291,725	5,416	5
6		-	9,149	-	3,866	-	6
7		3,378	98,167	8,766	41,484	16,986	7
8		4,751	298,302	920	126,057	1,784	8
9		7,491	108,601	-	45,893	-	9
10		10,254	276,930	-	117,026	-	10
11		11,802	431,888	-	182,509	-	11
12		14,582	703,181	-	297,153	-	12
13		3,266	176,410	-	74,548	-	13
14		-	-	-	-	-	14
15		-	42,968	-	18,158	-	15
16		-	-	-	-	-	16
17		-	26	-	11	-	17
18		-	1,046	-	442	-	18
19		56	19,267	-	8,142	-	19
20		-	52,826	-	22,323	-	20
21		-	17,224	-	7,278	-	21
22		3,440	331,395	5,529	140,042	8,269	22
23		-	-	-	-	-	23
24	*	59,020	2,567,380	15,215	1,084,932	27,039	24
25		-	-	-	-	-	25
26		-	60	-	(5,801)	-	26
27		-	-	-	-	-	27
28		-	-	-	-	-	28
29		-	-	-	-	-	29
30		-	-	-	-	-	30
31		-	-	-	-	-	31
32	*	-	60	-	(5,801)	-	32
33		-	1,060	-	173	-	33
34		-	-	-	-	-	34
35	*	-	1,060	-	173	-	35
36	*	-	738	-	-	-	36
37	*	967	4,081	-	14,188	-	37
38	*	-	50,961	-	15,407	-	38
39	*	-	39,202	-	11,852	-	39
40	*	-	7,840	-	2,371	-	40
41	*	(13,354)	340,228	-	100,801	-	41
42		(12,387)	443,050	-	144,619	-	42
43		111,128	6,587,006	78,213	2,515,648	32,455	43

- (1) Data reported on lines 38, 39, and 40 in columns (g) and (h) are investment recorded in property account 44, allocated to locomotives, freight cars, and other equipment.
- (2) Depreciation reported on lines 38, 39, and 40 in column (c) is calculated by multiplying the investment in each element by the effective composite rate for property account 44, and then adding or subtracting the adjustment reported in column (e). This calculation should equal the amount shown in column (c), Schedule 335.

**416. SUPPORTING SCHEDULE - ROAD**

(Dollars in Thousands)

Line No.	Density Category (Class) (a)	Account No. (b)	Owned and Used			Improvements to Leased Property			Capitalized Leases			TOTAL		Line No.
			Investment Base (c)	Accumulated Depreciation (d)	Depr. Rate % (e)	Investment Base (f)	Accumulated Depreciation (g)	Depr. Rate % (h)	Investment Base (i)	Current Year Amortization (j)	Accumulated Amortization (k)	Investment Base (l)	Accumulated Depreciation & Amortization (m)	
1	I	3	1,251,988	129,001	1.25	8,551	-	1.25	-	-	-	1,260,539	129,001	1
2		8	1,318,152	304,859	3.43	93,663	21,662	3.43	-	-	-	1,411,815	326,521	2
3		9	2,661,594	495,372	2.68	88,912	16,548	2.68	-	-	-	2,750,506	511,920	3
4		11	1,593,232	393,423	2.50	33,498	8,272	2.50	-	-	-	1,626,730	401,695	4
5	SUB TOTAL		6,824,966	1,322,655		224,624	46,482		-	-	-	7,049,590	1,369,137	5
6	II	3	704,555	72,596	1.25	-	-		-	-	-	704,555	72,596	6
7		8	1,371,350	317,162	3.43	-	-		-	-	-	1,371,350	317,162	7
8		9	1,351,227	251,488	2.68	-	-		-	-	-	1,351,227	251,488	8
9		11	335,038	82,732	2.50	-	-		-	-	-	335,038	82,732	9
10	SUB TOTAL		3,762,170	723,978		-	-		-	-	-	3,762,170	723,978	10
11	III	3	-	N/A	N/A	-	N/A	N/A	-	N/A	N/A	-	N/A	11
12		8	-	N/A	N/A	-	N/A	N/A	-	N/A	N/A	-	N/A	12
13		9	-	N/A	N/A	-	N/A	N/A	-	N/A	N/A	-	N/A	13
14		11	-	N/A	N/A	-	N/A	N/A	-	N/A	N/A	-	N/A	14
15	SUB TOTAL		-	N/A	N/A	-	N/A	N/A	-	N/A	N/A	-	N/A	15
16	IV	3	318,190	32,787	1.25	-	-		-	-	-	318,190	32,787	16
17		8	440,255	101,821	3.43	-	-		-	-	-	440,255	101,821	17
18		9	667,175	124,174	2.68	-	-		-	-	-	667,175	124,174	18
19		11	45,315	11,190	2.50	-	-		-	-	-	45,315	11,190	19
20	SUB TOTAL		1,470,935	269,972		-	-		-	-	-	1,470,935	269,972	20
21	V	3	-	-		-	-		-	-	-	-	-	21
22		8	-	-		-	-		-	-	-	-	-	22
23		9	-	-		-	-		-	-	-	-	-	23
24		11	-	-		-	-		-	-	-	-	-	24
25	SUB TOTAL		-	-		-	-		-	-	-	-	-	25
26	GRAND TOTAL		12,058,071	2,316,605	N/A	224,624	46,482	N/A	-	-	-	12,282,695	2,363,087	26

Notes:

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

**NOTES AND REMARKS**

**417. SPECIALIZED SERVICE SUBSCHEDULE - TRANSPORTATION**

(Dollars in Thousands)

1. Report freight expenses only.
2. Report in lines 1, 2, 3, 4, and 10 the total of those natural expenses (salaries and wages, material, tools, supplies, fuels and lubricants, purchased services and general) incurred in the operation of each type of specialized service facility. This schedule does not include switching services performed by train and yard crews in connection with or within specialized service facilities.
3. When it is necessary to apportion expenses, such as administrative expenses to two or more services, they shall be apportioned on the most equitable basis available to the respondent and only to the services they support. The total expenses in column (j) should balance with the respective line items in Schedule 410. Railway Operating Expenses.
4. Report in column (b), line 2, the expenses incurred in highway movements of trailers and containers performed at the expense of the reporting railroad within a terminal area for the purpose of pick-up, delivery or highway interchange service. Report in column (b), line 3, the expenses incurred in operating facilities for handling trailers and/or containers, including storage expenses. See schedule 755, note R.
5. The operation of floating equipment in line-haul service (between distinct terminals) should be reported in column (c) on line 2. Floating operations conducted within a general terminal or harbor area should be reported in column (c), line 3.
6. Report in column (g), line 3, the expenses incurred by the railroad in loading and unloading automobiles, trucks, etc., to and from bi-level and tri-level auto rack cars. Report on line 2, column (g), the expense incurred by the railroad in moving automobiles, etc., between bi-level and tri-level loading and unloading facilities over the highway to shippers, receivers or connecting carriers. Report in column (f) operating expenses for land facilities in support of floating operations, including the operation of docks and wharves.
7. Report on line 4, column (b), the expenses related to heating and refrigeration of TOFC/COFC trailers and containers (total debits and credits). The expenses on line 4, column (h) relate to refrigerator cars only.
8. Report in column (i) total expenses incurred in performing rail substitute service, other highway revenue service, LCL terminal operations, warehouse operations, freight car transloading, grain elevator terminal operations and livestock feeding operations only.

Line No.	Cross Check	Items (a)	TOFC/COFC terminal (b)	Floating equipment (c)	Coal marine terminal (d)	Ore marine terminal (e)	Other marine terminal (f)	Motor vehicle load & distribution (g)	Protective services refrigerator car (h)	Other special services (i)	Total columns (b) - (i) (j)	Line No.
1	*	Administration	-	-	-	-	-	-	-	-	-	1
2	*	Pick up and delivery, marine line haul	169	-	-	-	-	-	N/A	-	169	2
3	*	Loading and unloading and local marine	2,281	-	9,709	2,839	1,765	51,117	N/A	56,550	124,261	3
4	*	Protective services, total debits and credits	-	-	-	-	-	-	-	-	-	4
5	*	Freight lost or damaged - solely related	-	-	-	-	-	-	-	-	-	5
6	*	Fringe benefits	1,192	-	2,398	540	715	24	-	1	4,870	6
7	*	Casualty and insurance	-	-	-	-	-	-	-	-	-	7
8	*	Joint facility - Debit	-	-	-	-	-	-	-	6,211	6,211	8
9	*	Joint facility - Credit	( )	( )	( )	( )	( )	( )	( )	( )	( )	9
10	*	Other	-	-	-	-	-	-	-	-	-	10
11	*	TOTAL	3,642	-	12,107	3,379	2,480	51,141	-	62,762	135,511	11



**NOTES AND REMARKS**

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

**A. Railway Taxes**

Line No.	Cross Check	Kind of Tax	Amount	Line No.
1		Other than U.S. Government Taxes	183,851	1
		U.S. Government Taxes		
		Income Taxes		
2		Normal Tax and Surtax	370,403	2
3		Excess Profits	-	3
4	*	Total - Income Taxes (Lines 2 and 3)	370,403	4
5		Railroad Retirement	360,351	5
6		Hospital Insurance	30,762	6
7		Supplemental Annuities	-	7
8		Unemployment Insurance	12,591	8
9		All Other United States Taxes	-	9
10		Total - U.S. Government Taxes	774,107	10
11		Total - Railway Taxes	957,958	11

**B. Adjustments to Federal Income Taxes**

- 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)."
- Indicate in column (b) the beginning of year totals of Accounts 714, 744, 762, and 786 applicable to each particular item in column (a).
- 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.
- 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 loss carry-back.
- 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.
- 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.	5,788,915	61,949		5,850,864	1
2	Accelerated amortization of facilities, Sec. 168 IRC	-			-	2
3	Accelerated amortization of rolling stock, Sec. 184 IRC	-			-	3
4	Amortization of rights of way, Sec 185 IRC	(87,108)	2,233		(84,875)	4
5	Other (Specify)	-			-	5
6	Claims and contingency reserves	(191,664)	(34,423)		(226,087)	6
7	Reserve for separation pay	(42,417)	684		(41,733)	7
8	Postretirement medical benefits	(90,787)	(28,289)		(119,076)	8
9	Other temporary differences	233,891	76,757	(162,078)	148,570	9
10	Federal effect of state	(179,926)	(7,289)	(86,135)	(273,350)	10
11	State deferred income taxes	514,074	20,824	246,101	780,999	11
12						12
13						13
14						14
15						15
16						16
17						17
18	Investment tax credit*	-	-	-	-	18
19	TOTALS	5,944,978	92,446	(2,112)	6,035,312	19

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

**\*Footnotes:**

1. If the flow-through method was elected, indicate net decrease (or increase) in tax accrual because of investment tax credit	NONE
If the 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 credits	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.	-

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

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

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

Line No.	Account No. (a)	Item (b)	Debits (c)	Credits (c)	Line No.
1	551	Interest expense paid to parent company	(144,434)		1
2		Other	(26,248)		2
3		Total 551	(170,682)		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
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19					19
20					20
21					21
22					22
23					23
24					24
25					25
26					26
27					27
28					28
29					29
30					30

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

**501. GUARANTEES AND SURETYSHIPS**  
(Dollars in Thousands)

1. If the respondent was under obligation as guarantor or surety for the performance by any other corporation or association of any agreement or obligation, show the particulars of each contract of guarantee 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 two years 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	Terminal RR Assoc. of St. Louis	Refunding and Improvement Mortgage	1,112 plus interest	Joint	1
2	Guarantors: CSXT, BN, ICG, MKT,	Bonds, Series C, 4% due 7/1/2019			2
3	MP, NS, and SSW				3
4					4
5					5
6					6
7					7
8					8
9					9
10					10
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36					36
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38					38

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 two years after the 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 of contingent liability of guarantors (c)	Sole or joint contingent liability (d)	Line No.
1					1
2					2
3					3
4					4
5					5
6					6
7					7
8					8
9					9

**502. COMPENSATING BALANCES AND SHORT-TERM BORROWING ARRANGEMENTS**

(Dollars in Thousands)

Using the following notes as a guideline, show the requirements of compensating balances and short-term borrowing agreements. 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 that are 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% 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.

**NONE**

**NOTES AND REMARKS**

**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. (a)	Title (b)	Source (c)	Balance Close of Year (d)	Line No.
1	751	Loans and notes payable	Sch 200, Line 30	8,292	1
2	764	Equipment obligations and other long-term debt due within one year	Sch 200, Line 39	120,166	2
3	765/767	Funded debt unmatured	Sch 200, Line 41	461,306	3
4	766	Equipment obligations	Sch 200, Line 42	360,076	4
5	766.5	Capitalized lease obligations	Sch 200, Line 43	56,422	5
6	768	Debt in default	Sch 200, Line 44	-	6
7	769	Accounts payable - affiliated companies	Sch 200, Line 45	4,111	7
8	770.1/770.2	Unamortized debt premium	Sch 200, Line 46	92,352	8
9		Total debt	Sum of Lines 1 through 8	1,102,725	9
10		Debt directly related to road property	Note 1	74,221	10
11		Debt directly related to equipment	Note 1	535,667	11
12		Total debt related to road and equipment	Lines 10 and 11	609,888	12
13		Percent directly related to road	Line 10 / Line 12 Whole % + 2 decimals	12.17%	13
14		Percent directly related to equipment	Line 11 / Line 12 Whole % + 2 decimals	87.83%	14
15		Debt not directly related to road or equipment	Line 9 - Line 12	492,837	15
16		Road property debt (Note 2)	(Line 13 x Line 15) + Line 10	134,199	16
17		Equipment debt (Note 2)	(Line 14 x Line 15) + Line 11	968,526	17

**II. Interest Accrued During Year:**

Line No.	Account No. (a)	Title (b)	Source (c)	Balance Close of Year (d)	Line No.
18	546-548	Total interest and amortization (fixed charges)	Sch. 210, Line 42	72,797	18
19	546	Contingent Interest On Funded Debt	Sch. 210, Line 44	188	19
20	517	Release of Premiums on Funded Debt	Sch. 210, Line 22	-	20
21		Total Interest (Note 3)	(Line 18 + Line 19) - Line 20	72,985	21
22		Interest Directly Related to Road Property Debt	Note 4	4,177	22
23		Interest Directly Related to Equipment Debt	Note 4	30,931	23
24		Interest not directly related to road or equipment property debt	Line 21 - (Lines 22 +23)	37,877	24
25		Interest On Road Property Debt (Note 5)	Line 22 + (Line 24 x Line 13)	8,787	25
26		Interest On Equipment Debt (Note 5)	Line 23 + (Line 24 x Line 14)	64,198	26
27		Embedded Rate of Debt Capital - Road Property	Line 25 / Line 16	6.55%	27
28		Embedded Rate of Debt Capital - Equipment	Line 26 / Line 17	6.63%	28

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 - Accounts 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**

**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

3. In column (b) indicate the nature of 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 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 the 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).

**SCHEDULE 512. TRANSACTIONS BETWEEN RESPONDENT AND COMPANIES OR PERSONS AFFILIATED WITH RESPONDENT FOR SERVICES RECEIVED OR PROVIDED**  
(Dollars in Thousands)

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 (d)	Amount due from or to related parties (e)	Line No.
1	CSX Corporation		Controlled	Advance		1,911,077 P	1
2	CSX Corporation		Controlled	Interest Expense	89,014		2
3	CSX Corporation		Controlled	Management Fees	290,558		3
4	CSX Insurance		Common	Advance		26,487 P	4
5	CSX Insurance		Common	Interest Expense	5,632		5
6	CSX Intermodal		Common	Operating Agreement - Exp. Credits	(461,584)	31,143 P	6
7	CSX Technology		Common	Interest Income		30,730 P	7
8	CSX Technology		Common	Management Fees	177,811		8
9	CSX TDSI		Common	Interest Expense		7,497 P	9
10	CSX TDSI		Common	Management Fees	50,894		10
11	CSX Transflo		Common	Interest Expense		7,970 P	11
12	CSX Transflo		Common	Management Fees	54,436		12
13							13
14							14
15							15
16							16
17							17
18							18
19							19
20							20
21							21
22							22
23							23
24							24
25							25

Note: Please refer to Note 10, page 14B for additional information.

### 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 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 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 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 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 (a)	Proportion owned or leased by respondent (b)	Running tracks, passing tracks, cross-overs, etc.				Miles of way switching tracks (g)	Miles of yard switching tracks (h)	TOTAL (i)	Line No.
			Miles of road (c)	Miles of second main track (d)	Miles of all other main tracks (e)	Miles of passing, tracks, cross-overs, and turnouts (f)				
1	1	100%	16,069	3,432	85	705	432	7,648	28,371	1
2	1J	25%	-	-	-	-	-	31	31	2
3	1J	33%	-	-	-	1	-	20	21	3
4	1J	40%	-	-	-	-	-	3	3	4
5	1J	50%	70	68	-	2	5	121	266	5
6	1J	66%	-	-	-	-	-	11	11	6
7	TOTAL CLASS 1		16,139	3,500	85	708	437	7,834	28,703	7
8	2	100%	130	2	-	9	33	32	206	8
9	2	Ontario	53	-	-	9	-	16	78	9
10	2	Quebec	13	-	-	-	4	-	17	10
11	2J	89%	154	-	-	-	17	15	186	11
12	TOTAL CLASS 2		350	2	-	18	54	63	487	12
13	3A	100%	325	15	-	37	3	55	435	13
14	3B	100%	331	39	1	6	17	236	630	14
15	3BJ	33%	-	3	-	-	-	-	3	15
16	3A	Quebec	17	-	-	-	-	-	17	16
17	3B	Quebec	13	-	-	-	4	-	17	17
18	TOTAL CLASS 3		686	57	1	43	24	291	1,102	18
19	4A	100%	-	-	-	-	-	1	1	19
20	4B	100%	124	69	-	-	2	100	295	20
21	4BJ	50%	7	-	-	-	-	-	7	21
22	TOTAL CLASS 4		131	69	-	-	2	101	303	22
23	5	100%	3,790	1,178	622	245	71	665	6,571	23
24	5J	33%	-	-	-	-	-	1	1	24
25	5J	50%	2	-	-	-	-	-	2	25
26	5	Ontario	10	1	-	4	1	6	22	26
27	5	Quebec	6	-	-	-	-	-	6	27
28	TOTAL CLASS 5		3,808	1,179	622	249	72	672	6,602	28
29										29
30										30
31										31
32										32
33										33
34										34
35										35
36										36
37										37
38										38
39										39
40										40
41										41
42										42
43										43
44										44
45										45
46										46
47										47
48										48
49										49
50										50
51										51
52										52
53										53
54										54
55										55
56										56
57			21,114	4,807	708	1,018	589	8,961	37,197	57
58	Miles of electrified road or track included in the preceding grand total		-	-	-	-	-	-	-	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 road owned but not operated. The respondent's proportion of operated road held by it as a 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 but not operated should be shown in column (h), as 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	917	-	-	-	111	1,028	163	-	1
2		Connecticut	7	-	-	-	62	69	-	-	2
3		Delaware	23	-	-	-	21	44	-	-	3
4		District of Columbia	18	-	-	-	2	20	-	-	4
5		Florida	1,522	-	-	83	47	1,652	117	-	5
6		Georgia	1,428	-	118	-	75	1,621	147	-	6
7		Illinois	615	35	55	-	219	924	32	-	7
8		Indiana	1,232	120	15	-	259	1,626	224	-	8
9		Kentucky	1,570	15	1	10	46	1,642	53	-	9
10		Louisiana	35	-	-	-	8	43	-	-	10
11		Maryland	451	17	5	-	86	559	-	-	11
12		Massachusetts	277	-	10	-	147	434	8	-	12
13		Michigan	418	-	-	-	151	569	181	-	13
14		Mississippi	74	-	-	-	20	94	-	-	14
15		Missouri	-	-	-	-	13	13	-	-	15
16		New Jersey	63	-	-	-	585	648	2	-	16
17		New York	843	-	195	-	254	1,292	24	-	17
18		North Carolina	1,062	-	-	7	52	1,121	-	-	18
19		Ohio	1,301	-	140	12	465	1,918	244	-	19
20		Ontario, Canada	-	53	-	-	10	63	-	-	20
21		Pennsylvania	428	47	39	5	536	1,055	86	-	21
22		Quebec, Canada	-	13	30	-	6	49	12	-	22
23		South Carolina	1,197	-	47	-	17	1,261	12	-	23
24		Tennessee	835	-	15	-	160	1,010	64	-	24
25		Virginia	763	30	-	-	254	1,047	-	-	25
26		West Virginia	1,060	20	16	14	202	1,312	180	-	26
27											27
28											28
29											29
30											30
31											31
32		Total Mileage (Single Track)	16,139	350	686	131	3,808	21,114	1,549	-	35

**NOTES AND REMARKS**

### INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 710

Instructions for reporting locomotive and passenger-train car data.

1. Give particulars of each of the various classes of equipment which respondent owned or leased during the year.
2. In column (c), give the number of units purchased new or built in company shops. In column (d), give the number of new units leased from others. The term "new" means a unit placed in service for the first time on any railroad.
3. Units leased to others for a period of one year or more are reportable in column (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 engine 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)	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)							
		Locomotive Units												
1		Diesel-freight units	3,382	100			(95)	52	2,886	449	3,335	(HP) 12,092,310		1
2		Diesel-passenger units	2				2		4	-	4	12,000		2
3		Diesel-multiple purpose units	-						-	-	-	-		3
4		Diesel-switching units	217				113	5	324	1	325	626,800		4
5	*	TOTAL (lines 1 to 4)	3,601	100		-	20	57	3,214	450	3,664	12,731,110	-	5
6	*	Electric locomotives							-	-	-	-		6
7	*	Other self-powered units							-	-	-	-		7
8	*	TOTAL (lines 5, 6, and 7)	3,601	100		-	20	57	3,214	450	3,664	12,731,110	-	8
9	*	Auxiliary units	189				1	1	189	-	189	N/A		9
10	*	TOTAL LOCOMOTIVE UNITS (lines 8 and 9)	3,790	100	-	1	20	58	3,403	450	3,853	N/A	-	10

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

Line No.	Cross Check	Type or design of units	Before Jan. 1, 1985 (b)	Between Jan. 1, 1985 and Dec 31, 1989 (c)	Between Jan. 1, 1990 and Dec 31, 1994 (d)	Between Jan. 1, 1995 and Dec 31, 1999 (e)	Between Jan. 1, 2000 and Dec 31, 2004 (f)	During Calendar Year					Total (l)	Line No.
								2005 (g)	2006 (h)	2007 (i)	2008 (j)	2009 (k)		
11	*	Diesel	1,620	321	541	602	380	100	100				3,664	11
12	*	Electric											-	12
13	*	Other self-powered units											-	13
14	*	TOTAL (lines 11 to 13)	1,620	321	541	602	380	100	100	-	-	-	3,664	14
15	*	Auxiliary units	187	2									189	15
16	*	TOTAL LOCOMOTIVE UNITS (lines 14 and 15)	1,807	323	541	602	380	100	100	-	-	-	3,853	16

\* Excludes short-term leases.

**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
21		Dining, grill, & tavern cars (All class D, PD)	-								-	N/A		21
22		Nonpassenger carrying cars (All class B, CSB, M, PSA, IA)	-								-	N/A		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)	24						19	5	24	N/A		30
31		Board outfit cars (MWX)	34						24	10	34	N/A		31
32		Derrick & snow removal cars (MWU, MWV, MWW, MWK)	58					1	43	14	57	N/A		32
33		Dump and ballast cars (MWB, MWD)	1,425			17	331		1,214	559	1,773	N/A		33
34		Other maintenance and service equipment cars	4,533			21	173		4,451	276	4,727	N/A		34
35		TOTAL (Lines 30 to 34)	6,074	-	-	38	504	1	5,751	864	6,615	-	-	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)	
<b>FREIGHT TRAIN CARS</b>									
36		Plain box cars - 40' (B1_, B2_)	-						36
37		Plain box cars - 50' and longer (B3_0-7, B4_0-7, B5_, B6_, B7_, B8_)	9						2 37
38		Equipped box cars (All Code A, Except A_5_)	15,968						38
39		Plain gondola cars (All Codes G & J, J_1, J_2, J_3, J_4)	7,601						54 39
40		Equipped gondola cars (All Code E)	22,643						51 40
41		Covered hopper cars (C_1, C_2, C_3, C_4)	16,500						41
42		Open top hopper cars - general service (All Code H)	11,830						790 42
43		Open top hopper cars - special service (J_O and All Code K)	7,823						4 43
44		Refrigerator cars - mechanical (R_5_, R_6_, R_7_, R_8_, R_9_)	32						44
45		Refrigerator cars - non-mechanical (R_0_, R_1_, R_2_)	1,024						45
46		Flat cars - TOFC/COFC (All Code P, Q, & S, Except Q8_)	290						290 46
47		Flat cars - multilevel (All Code V)	12,748				104		47
48		Flat cars - general service (F10_, F20_, F30_)	10						6 48
49		Flat cars - other (F_1_, F_2_, F_3_, F_4_, F_5_, F_6_, F_8_, F40_)	6,444						242 49
50		Tank cars - under 22,000 gal. (T_0, T_1, T_2, T_3, T_4, T_5)	2						50
51		Tank cars - 22,000 gal. and over (T_6, T_7, T_8, T_9)	35						51
52		All other freight cars (A_5_, F_7_, All Code L & Q8_)	355						52
53		TOTAL (Lines 36 to 52)	103,314	-	-	-	104	1,439	53
54		Caboose (All Code M-930)	N/A	230					54
55		TOTAL (Lines 53 and 54)	103,314	230	-	-	104	1,439	55

710. INVENTORY OF EQUIPMENT - Continued

4. Column (m) should show the aggregate capacity for all units reported in columns (k) and (l), as follows. For freight-train cars, report the nominal capacity (i tons of 2,000 lbs) as provided for in Rule 86 of the AAR Code of Rules Governing Cars in Interchange. Convert the capacity of tank cars to capacity in tons of the commodity which the car is intended to customarily carry.

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

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

Line No.	Cross Check	Changes during year (concluded) Units retired from service of respondent whether owned or leased including reclassification (h)	Units at close of year						Line No.
			Owned and used (i)	Leased from others (j)	Total in service of respondent (col. (i) & (j))		Aggregate capacity of units reported in col (k) & (l) (see ins. 4) (m)	Leased to Others (n)	
					Time-mileage cars (k)	All Others (l)			
36			-	-	-		-		36
37			11	-	11		879		37
38		723	12,325	2,920	15,245		1,227,157		38
39			4,897	2,758	7,655		854,882		39
40		1,339	15,931	5,424	21,355		2,146,141		40
41		752	12,774	2,974	15,748		1,589,905		41
42			10,256	2,364	12,620		1,301,343		42
43			6,648	1,179	7,827		808,442		43
44			-	32	32		2,617		44
45		5	74	945	1,019		74,529		45
46			256	324	580		94,003		46
47		304	-	12,548	12,548		457,047		47
48			7	9	16		1,216		48
49			595	6,091	6,686		621,015		49
50		2	-	-	-		-		50
51			-	35	35		3,433		51
52		130	225	-	225		17,450		52
53		3,255	63,999	37,603	101,602	-	9,200,059	-	53
54		2	228	-	N/A	228	N/A		54
55		3,257	64,227	37,603	101,602	228	9,200,059	-	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 (Z1_, Z67_, Z68_, Z_69_)	-						59
60		Dry van (U2_, Z_, Z6_, 1-6)	6,160						60
61		Flat bed (U3_, Z3_)	-						61
62		Open bed (U4_, Z4_)	-						62
63		Mechanical refrigerator (U5_, Z5_)	-					1	63
64		Bulk hopper (U0_, Z0_)	-						64
65		Insulated (U7_, Z7_)	840						65
66		Tank (Z0_, U6_) (See note)	-						66
67		Other trailer and container (Special equipped dry van U9_, Z8_, Z9_)	8,652					2,855	67
68		Tractor	-						68
69		Truck	-						69
70		TOTAL (Lines 59 to 69)	15,652	-	-	-	-	2,856	70

## NOTES AND REMARKS

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

710. INVENTORY OF EQUIPMENT - Concluded

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

Line No.	Cross Check	Changes during year (concluded) Units retired from service of respondent whether owned or leased including reclassification (h)	Units at close of year						Line No.
			Owned and used (i)	Leased from others (j)	Total in service of respondent (col. (i) & (j))		Aggregate capacity of units reported in col (k) & (l) (see ins. 4) (m)	Leased to Others (n)	
					Per diem (k)	All Others (l)			
56									56
57									57
58		-	-	-	-	-	-	-	58
59									59
60		1,663	196	4,301	4,497		84,261		60
61									61
62									62
63			1		1		24		63
64									64
65		496		344	344		8,367		65
66									66
67			7,295	4,212	11,507		330,449		67
68									68
69									69
70		2,159	7,492	8,857	16,349	-	423,101	-	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) or steel boxcars-special service (XAP). For TOFC/COFC, show the 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 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 unit placed in service for the first time on any railroad.
6. All unequipped boxcars acquired in whole or in 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	<b>Locomotives</b>					1
2	Diesel-freight, (C-C) Ess44DC, 4400 HP	100	432,000	165,541,200	P	2
3						3
4						4
5						5
6						6
7						7
8						8
9						9
10						10
11						11
12						12
13						13
14						14
15						15
16						16
17						17
18						18
19						19
20						20
21						21
22						22
23						23
24						24
25	<b>TOTAL</b>	100	432,000	165,541,200	N/A	25

**REBUILT UNITS**

26	<b>Locomotives</b>					26
27	Auxiliary unit (MT6) O HF	1	376,000	19,000	S	27
28	<b>Cars</b>					28
29	Multilevel Racks V411 V414	104	109,200	529,200	P	29
30	MoW Equipment Flats M150	21	12,915	707,825	P	30
31	Ballast Car M110	17	8,687	202,980	S	31
32						32
33						33
34						34
35						35
36						36
37						37
38	<b>TOTAL</b>	143	506,802	1,459,005	N/A	38
39	<b>GRAND TOTAL</b>	243	938,802	167,000,205	N/A	39

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

1. For purposes of these schedules, the track categories are defined as follows:
  - A. Freight density of 20 million or more gross ton-miles per track-mile per year (including 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 (including 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 (including passing tracks, turnouts, and crossovers).
  - D. Freight density of less than 1 million gross ton-miles per track-mile per year (including passing tracks, turnouts, and crossovers).
  - E. Way and yard switching tracks (passing tracks, turnouts, and crossovers shall be included in categories A, B, C, D, F, or 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**

Disclose the requested information pertaining to track and traffic conditions.

Line No.	Track category (a)	Mileage of tracks at end of period (whole numbers) (b)	Average annual traffic density in millions of gross ton-miles per track-mile* (use two decimal places) (c)	Average running speed limit (use two decimal places) (d)	Track miles under slow orders at end of period (e)	Line No.
1	A	12,466	43.48	47.43	95.1	1
2	B	5,902	12.09	37.06	57.8	2
3	C	1,614	2.84	27.54	92.7	3
4	D	1,807	0.21	19.65	90.9	4
5	E	8,806	XXXXXXXXXX	XXXXXXXXXX		5
6	TOTAL	30,595			336.4	6
7	F		XXXXXXXXXX	XXXXXXXXXX		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.

**721. TIES LAID IN REPLACEMENT**

1. Furnish the requested information concerning ties laid in replacement.
2. In column (j), report the total board feet of switch and bridge ties laid in replacement.
3. The term "spot maintenance" in column (k) means repairs to track components during routine inspections, as opposed to programmed replacements aimed at upgrading the general condition of the tracks. "Percent of spot maintenance" refers to the percentage of total ties or board feet laid in replacement that are considered to be spot maintenance.
4. In line 9, the average cost per tie should include transportation charges on foreign lines, tie trains, loading, inspection, and the cost of handling ties in general supply storage and seasoning yards, and in the case of treating ties, also the cost of handling at treating plants and the cost of treatment. The cost of unloading, hauling over the carrier's own lines, and placing the ties in tracks and of train service other than that necessary in connection with loading or treatment should not be included in this schedule.

Line No.	Track Category (a)	Number of crossties laid in replacement							Total (i)	Switch and bridge ties (board feet) (j)	Crossties switch and bridge ties % of spot maintenance (k)*	Line No.
		New ties				Second-hand ties						
		Wooden		Concrete (d)	Other (e)	Wooden		Other (h)				
		Treated (b)	Untreated (c)			Treated (f)	Untreated (g)					
1	A	1,855,782		1,210		-		1,856,992	3,207,734	3.00	1	
2	B	1,024,326		491		1,532		1,026,349	1,489,020	3.00	2	
3	C	134,865				5,002		139,867	153,503	3.00	3	
4	D	44,530				-		44,530	79,718	3.00	4	
5	E	228,170				1,605		229,775	2,033,632	3.00	5	
6	TOTAL	3,287,673		1,701		8,139		3,297,513	6,963,607	3.00	6	
7	F										7	
8	Potential abandonments							-			8	
9	Average cost per crosstie	\$ 32	and switchtie (MBM)	\$ 815						* Estimate		

**722. TIES LAID IN ADDITIONAL TRACKS AND IN NEW LINES AND EXTENSIONS**

(Dollars in Thousands)

Give particulars of ties laid during the year in new construction during the year.

In column (a), classify the ties as follows:

U - Wooden ties, untreated when applied.

T - Wooden ties, treated before application.

S - Ties other than wooden (steel, concrete, etc.). Indicate type under remarks in column (h).

Report new and second-hand (relay) ties separately, indicating in column (h) which ties are new.

In columns (d) and (g), show the total cost, including transportation charges on foreign lines, tie trains, loading, inspection, and the cost of handling ties in general supply, storage and seasoning yard. In the case of treated ties, also show the cost of handling at treating plants and the cost of treatment. The cost of unloading, hauling over carrier's own lines, and placing the ties in tracks, and of train service, other than that necessary in connection with loading or treatment, should not be included in this schedule.

Line No.	Class of ties (a)	Cross ties			Switch and Bridge Ties			Remarks (h)	Line No.	
		Total number of ties applied (b)	Average cost per tie (c)	Total cost of cross ties laid in new tracks during year (d)	Number of feet (board measure) laid in tracks (e)	Average cost per M feet (board measure) (f)	Total cost of switch & bridge ties laid in new tracks during year (g)			
1	T	44,487	31.07	1,382	24,356	1,860	453	NEW	1	
2	T	169	8.16	1				RELAY	2	
3	S	570	67.83	39				CONCRETE	3	
4									4	
5									5	
6									6	
7									7	
8									8	
9									9	
10									10	
11									11	
12									12	
13									13	
14									14	
15									15	
16									16	
17									17	
18									18	
19									19	
20	TOTAL	45,227	31.45	1,422	24,356	1,860	453		20	
21	Number of miles of new running tracks, passing tracks, crossovers, etc., in which ties were laid						0.15			21
22	Number of miles of new yard, station, team, industry, and other switching tracks in which ties were laid						16.96			22

**723. RAILS LAID IN REPLACEMENT**

1. Furnish the requested information concerning rails laid in replacement.
2. The term "spot maintenance" in column (h) means repairs to track components during routine inspections, as opposed to programmed replacements aimed at upgrading the general condition of the tracks. "Percent of spot maintenance" refers to the percentage of total rails laid in replacement that are considered to be spot maintenance.
3. In line 9, the average cost of new and relay rail should include the cost of loading at the point of purchase ready for shipment, freight charges paid to foreign lines, and the cost of handling rails in general supply and storage yards. The cost of unloading, hauling over carrier's own lines, and placing the rails in tracks and of train service in connection with the distribution of rails should not be included in this schedule.

Line No.	Track Category (a)	Miles of rail laid in replacement (rail-miles)				Total		Percent of Spot Maintenance (h)*	Line No.
		New rail		Relay rail		Welded rail (f)	Bolted rail (g)		
		Welded rail (b)	Bolted rail (c)	Welded rail (d)	Bolted rail (e)				
1	A	576.15	-	16.68	-	592.83	-	3.00	1
2	B	140.74	0.84	12.57	-	153.31	0.84	3.00	2
3	C	7.32	1.12	8.18	3.85	15.50	4.97	3.00	3
4	D	15.26	-	6.64	-	21.90	-	3.00	4
5	E	16.34	-	35.54	-	51.88	-	3.00	5
6	TOTAL	755.81	1.96	79.61	3.85	835.42	5.81	3.00	6
7	F					-	-		7
8	Potential abandonments					-	-	* Estimate	8
9	Average cost of new and relay rail laid in replacement per gross ton:			New	\$ 779	Relay	\$ 292		9

**724. RAILS LAID IN ADDITIONAL TRACKS AND IN NEW LINES AND EXTENSIONS**  
(Dollars in Thousands)

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

Line No.	Class of rail (a)	Rail Applied in Running Tracks, Passing Tracks, Crossovers, Etc.				Rail Applied in Yard, Station, Team, Industry and Other Switching Tracks				Line No.	
		Weight of rail		Total cost of rail applied in running track, passing track, crossovers, etc., during year (d)	Average cost per ton (2000 lbs) (e)	Weight of rail		Total cost of rail applied in yard, station, team, industry, and other switching track during year (h)	Average cost per ton (2000 lbs) (i)		
		Pounds per yard of rail (b)	Number of tons (2000 lbs) (c)			Pounds per yard of rail (f)	Number of tons (2000 lbs) (g)				
1	2	100	-	-	149	100	-	-	149	1	
2	2	115	-	-	402	115	6	42	402	2	
3	2	132	-	-	516	132	493	115	516	3	
4	2	136	13	84	471	136	2,482	2,815	471	4	
5	2	141	-	-	425	141	133	3,350	425	5	
6	4	115	-	-	123	115	-	-	123	6	
7	4	122	-	-	68	122	-	-	68	7	
8	4	132	-	-	79	132	106	20	79	8	
9	4	136	-	-	95	136	7	46	95	9	
10	4	141	-	-	95	141	7	32	95	10	
11										11	
12										12	
13										13	
14										14	
15										15	
16										16	
17										17	
18										18	
19										19	
20										20	
21										21	
22										22	
23										23	
24										24	
25										25	
26										26	
27										27	
28										28	
29										29	
30										30	
31										31	
32										32	
33										33	
34										34	
35										35	
36										36	
37	Total	N/A	13	84	6,462	N/A	3,234	6,420	1,985	37	
38	Number of miles of new running tracks, passing tracks, cross-overs, etc., in which rails were laid									0.15	38
39	Number of miles of new yard, station, team, industry, and other switching tracks in which rails were laid									16.96	39
40	Track-miles of welded rail installed on system this year				-	Total to date				26,209	40

**725. WEIGHT OF RAIL**

Give the particulars called for below concerning the road and track operated by respondent at the close of the year. Only the respondent's proportion of jointly owned mileage should be included. Under "Weight of rail," the various weights of rails should be given. Road and track occupied under trackage rights or other form of license should not be included herein, but all road and track held under any form of lease (granting exclusive possession to the lessee) should be included.

Line No.	Weight of rails per yard (pounds) (a)	Line-haul companies (miles of main track) (b)	Switching and terminal companies (miles of all tracks) (c)	Remarks (d)	Line No.
1	70	0.99			1
2	75	1.71			2
3	78	3.90			3
4	80	31.24			4
5	85	43.59			5
6	90	146.52			6
7	100	865.14			7
8	105	146.48			8
9	107	70.60			9
10	110	44.42			10
11	112	654.06			11
12	114	0.42			12
13	115	2,508.74			13
14	119	5.92			14
15	120	2.48			15
16	122	2,386.60			16
17	123	1.50			17
18	127	537.52			18
19	130	232.68			19
20	131	1,133.53			20
21	132	5,535.67			21
22	133	70.23			22
23	136	3,155.75			23
24	140	1,399.36			24
25	141	1,996.07			25
26	152	4.93			26
27	155	40.04			27
28					28
29					29
30					30
31					31
32					32
33					33
34					34
35					35
36					36
37					37
38					38
39					39
40					40
41					41
42					42
43					43
44					44
45					45
46					46
47					47
48					48

**726. SUMMARY OF TRACK REPLACEMENTS**

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

Line No.	Track Category (a)	Ties				Rail		Ballast	Track Surfacing		Line No.
		Number of ties replaced		Percent replaced		Miles of rail replaced (rail-miles) (f)	Percent Replaced (g)	Cubic yards of ballast placed (h)	Miles surfaced (i)**	Percent surfaced (j)	
		Crossties (b)	Switch and bridge ties (board feet) (c)	Crossties (d)	Switch and bridge ties (board feet) (e)*						
1	A	1,856,992	3,207,734	4.9	3.6	592.83	2.38	1,707,804	4,880	39.15	1
2	B	1,026,349	1,489,020	5.8	2.2	154.15	1.31	576,266	1,647	27.91	2
3	C	139,867	153,503	2.9	0.5	20.47	0.63	103,217	295	18.31	3
4	D	44,530	79,718	0.8	0.3	21.90	0.61	45,136	129	7.16	4
5	E	229,775	2,033,632	1.0	2.4	51.88	0.29	268,014	766	8.70	5
6	TOTAL	3,297,513	6,963,607	3.7	2.4	841.23	1.37	2,700,437	7,717	25.23	6
7	F										7
8	Potential abandonments										8

\* Estimate

\*\* Includes smoothing and out-of-face surfacing

**750. CONSUMPTION OF DIESEL FUEL**  
(Dollars in Thousands)

Line No.	LOCOMOTIVES		Line No.
	Kind of locomotive service (a)	Diesel oil (gallons) (b)	
1	Freight	538,830,555	1
2	Passenger	0	2
3	Yard switching	58,873,887	3
4	TOTAL	597,704,442	4
5	COST OF FUEL \$(000) *	1,111,282	5
6	Work Train	1,568,000	6

\* Show cost of fuel charged to train and yard service (function 67-Loco. Fuels). The cost stated for diesel fuel should be the total charges in the accounts specified, including freight charges and handling expenses. Fuel consumed by mixed and special trains that are predominately freight should be included in freight service, but where the service of mixed or special trains is predominantly passenger, the fuel should be included in passenger service.

## INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 755

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

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

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

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

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

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

(F) Train switching locomotive-miles shall be computed at the rate of six miles per hour for the time actually engaged in such service. Include miles allowed 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 respondents' 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 mile 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 4-5, car-miles of work equipment, cars carrying company freight, and non-revenue private line cars moving in transportation trains. Include such car-miles in Item 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), car 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)	Passenger Train (c)	Line No.
1		1 Miles of Road Operated (A)	21,114		1
2		2 Train Miles - Running (B)			
		2-01 Unit Trains	23,056,332	XXXXXX	2
		2-02 Way Trains	13,970,849	XXXXXX	3
		2-03 Through Trains	60,241,654		4
		2-04 TOTAL TRAIN MILES (Lines 2-4)	97,268,835	-	5
		2-05 Motorcars (C)	-	-	6
		2-07 TOTAL ALL TRAINS (Lines 5 and 6)	97,268,835	-	7
		3 Locomotive Unit Miles (D)			
		Road Service (E)			
8		3-01 Unit Trains	50,236,497	XXXXXX	8
9		3-02 Way Trains	17,521,865	XXXXXX	9
10		3-03 Through Trains	153,715,775		10
11		3-04 TOTAL (Lines 8-10)	221,474,137	-	11
12		3-11 Train Switching (F)	5,137,026	XXXXXX	12
13		3-21 Yard Switching (G)	11,243,785		13
14		3-31 TOTAL ALL SERVICES (Lines 11-13)	237,854,948	-	14
		4 Freight Car-Miles (thousands) (H)			
		4-01 RR Owned and Leased Cars - Loaded			
15		4-010 Box-Plain 40-Foot	-	XXXXXX	15
16		4-011 Box-Plain 50-Foot and Longer	10,442	XXXXXX	16
17		4-012 Box-Equipped	224,628	XXXXXX	17
18		4-013 Gondola-Plain	129,177	XXXXXX	18
19		4-014 Gondola-Equipped	190,291	XXXXXX	19
20		4-015 Hopper-Covered	193,758	XXXXXX	20
21		4-016 Hopper-Open Top-General Service	151,227	XXXXXX	21
22		4-017 Hopper-Open Top-Special Service	72,547	XXXXXX	22
23		4-018 Refrigerator-Mechanical	15,931	XXXXXX	23
24		4-019 Refrigerator-Non-Mechanical	31,701	XXXXXX	24
25		4-020 Flat-TOFC/COFC	142,305	XXXXXX	25
26		4-021 Flat-Multi-Level	37,758	XXXXXX	26
27		4-022 Flat-General Service	233	XXXXXX	27
28		4-023 Flat-All Other	54,021	XXXXXX	28
29		4-024 All Other Car Types-Total	6,591	XXXXXX	29
30		4-025 TOTAL (Lines 15-29)	1,260,610	XXXXXX	30

## 755. RAILROAD OPERATING STATISTICS - (Continued)

Line No.	Cross Check	Item Description (a)	Freight Train (b)	Passenger Train (c)	Line No.
31		4-11 RR Owned and Leased Cars - Empty			
		4-110 Box-Plain 40-Foot	-	XXXXXX	31
32		4-111 Box-Plain 50-Foot and Longer	9,537	XXXXXX	32
33		4-112 Box-Equipped	206,345	XXXXXX	33
34		4-113 Gondola-Plain	119,200	XXXXXX	34
35		4-114 Gondola-Equipped	161,976	XXXXXX	35
36		4-115 Hopper-Covered	195,667	XXXXXX	36
37		4-116 Hopper-Open Top-General Service	148,015	XXXXXX	37
38		4-117 Hopper-Open Top-Special Service	71,474	XXXXXX	38
39		4-118 Refrigerator-Mechanical	14,800	XXXXXX	39
40		4-119 Refrigerator-Non-Mechanical	30,669	XXXXXX	40
41		4-120 Flat-TOFC/COFC	28,273	XXXXXX	41
42		4-121 Flat-Multi-Level	21,284	XXXXXX	42
43		4-122 Flat-General Service	168	XXXXXX	43
44		4-123 Flat-All Other	52,245	XXXXXX	44
45		4-124 All Other Car Types-Total	2,882	XXXXXX	45
46		4-125 TOTAL (Lines 31-45)	1,062,535	XXXXXX	46
47		4-13 Private Line Cars - Loaded (H)			
		4-130 Box-Plain 40-Foot	-	XXXXXX	47
48		4-131 Box-Plain 50-Foot and Longer	28,387	XXXXXX	48
49		4-132 Box-Equipped	17,746	XXXXXX	49
50		4-133 Gondola-Plain	123,453	XXXXXX	50
51		4-134 Gondola-Equipped	21,947	XXXXXX	51
52		4-135 Hopper-Covered	338,886	XXXXXX	52
53		4-136 Hopper-Open Top-General Service	92,817	XXXXXX	53
54		4-137 Hopper-Open Top-Special Service	200,724	XXXXXX	54
55		4-138 Refrigerator-Mechanical	19,053	XXXXXX	55
56		4-139 Refrigerator-Non-Mechanical	4,434	XXXXXX	56
57		4-140 Flat-TOFC/COFC	301,948	XXXXXX	57
58		4-141 Flat-Multi-Level	296,833	XXXXXX	58
59		4-142 Flat-General Service	131	XXXXXX	59
60		4-143 Flat-All Other	72,606	XXXXXX	60
61		4-144 Tank Under 22,000 Gallons	147,954	XXXXXX	61
62		4-145 Tank - 22,000 Gallons and Over	154,076	XXXXXX	62
63		4-146 All Other Car Types-Total	15,995	XXXXXX	63
64		4-147 TOTAL (Lines 47-63)	1,836,990	XXXXXX	64

## 755. RAILROAD OPERATING STATISTICS - (Continued)

Line No.	Cross Check	Item Description (a)	Freight Train (b)	Passenger Train (c)	Line No.
65		4-15 Private Line Cars - Empty (H)			
		4-150 Box-Plain 40-Foot	-	XXXXXX	65
66		4-151 Box-Plain 50-Foot and Longer	16,565	XXXXXX	66
67		4-152 Box-Equipped	16,472	XXXXXX	67
68		4-153 Gondola-Plain	118,738	XXXXXX	68
69		4-154 Gondola-Equipped	19,913	XXXXXX	69
70		4-155 Hopper-Covered	302,684	XXXXXX	70
71		4-156 Hopper-Open Top-General Service	88,367	XXXXXX	71
72		4-157 Hopper-Open Top-Special Service	191,782	XXXXXX	72
73		4-158 Refrigerator-Mechanical	11,971	XXXXXX	73
74		4-159 Refrigerator-Non-Mechanical	4,070	XXXXXX	74
75		4-160 Flat-TOFC/COFC	50,787	XXXXXX	75
76		4-161 Flat-Multi-Level	158,210	XXXXXX	76
77		4-162 Flat-General Service	134	XXXXXX	77
78		4-163 Flat-All Other	54,608	XXXXXX	78
79		4-164 Tank Under 22,000 Gallons	142,861	XXXXXX	79
80		4-165 Tank - 22,000 Gallons and Over	153,534	XXXXXX	80
81		4-166 All Other Car Types-Total	9,276	XXXXXX	81
82		4-167 TOTAL (Lines 65-81)	1,339,972	XXXXXX	82
83		4-17 Work Equipment and Company Freight Car-Miles	30,357	XXXXXX	83
84		4-18 No Payment Car-Miles (I) <1>	270,473	XXXXXX	84
85		4-19 Total Car-Miles by Train Type (Note)			
		4-191 Unit Trains	1,939,686	XXXXXX	85
86		4-192 Way Trains	253,611	XXXXXX	86
87		4-193 Through Trains	3,607,640	XXXXXX	87
88		4-194 TOTAL (Lines 85-87)	5,800,937	XXXXXX	88
89		4-20 Caboose Miles	254	XXXXXX	89

<1> Total number of loaded miles   0   and empty miles   0   by roadrailer reported above.

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 - Concluded

Line No.	Check Check	Item Description (a)	Freight Train (b)	Passenger Train (c)	Line No.
98		6 Gross Ton-Miles (thousands) (K) 6-01 Road Locomotives	43,586,140		98
99		6-02 Freight Trains, Crs., Cnts., & Caboose 6-020 Unit Trains	158,825,678	XXXXXX	99
100		6-021 Way Trains	16,834,420	XXXXXX	100
101		6-022 Through Trains	290,890,586	XXXXXX	101
102		6-03 Passenger-Trains, Crs., & Cnts.	-		102
103		6-04 Non-Revenue	2,807,288	XXXXXX	103
104		6-05 TOTAL (Lines 98-103)	512,944,112		104
105		7 Tons of Freight (thousands) 7-01 Revenue	468,597	XXXXXX	105
106		7-02 Non-Revenue	731	XXXXXX	106
107		7-03 TOTAL (Lines 105 and 106)	469,328	XXXXXX	107
108		8 Ton-Miles of Freight (thousands) (L) 8-01 Revenue - Road Service	252,961,151	XXXXXX	108
109		8-02 Revenue - Lake Transfer Service	-	XXXXXX	109
110		8-03 TOTAL (Lines 108 and 109)	252,961,151	XXXXXX	110
111		8-04 Non-Revenue - Road Service	305,377	XXXXXX	111
112		8-05 Non-Revenue - Lake Transfer Service	-	XXXXXX	112
113		8-06 TOTAL (Lines 111 and 112)	305,377	XXXXXX	113
114		8-07 TOTAL - REVENUE & NON-REVENUE (Lines 110 and 113)	253,266,528	XXXXXX	114
115		9 Train Hours (M) 9-01 Road Service	5,401,452	XXXXXX	115
116		9-02 Train Switching	856,171	XXXXXX	116
117		10 TOTAL YARD-SWITCHING HOURS (N)	1,873,966	XXXXXX	117
118		11 Train-Miles Work Trains (O) 11-01 Locomotives	448,084	XXXXXX	118
119		11-02 Motorcars	-	XXXXXX	119
120		12 Number of Loaded Freight Cars (P) 12-01 Unit Trains	3,152,465	XXXXXX	120
121		12-02 Way Trains	4,643,764	XXXXXX	121
122		12-03 Through Trains	13,342,348	XXXXXX	122
123		13 TOFC/COFC - No. of Revenue Trailers & Containers Loaded and Unloaded (Q)	3,353,508	XXXXXX	123
124		14 Multi-Level Cars - No. of Motor Vehicles Loaded & Unloaded (Q)	4,540,015	XXXXXX	124
125		15 TOFC/COFC - No. of Revenue Trailers Picked Up & Delivered (R)	230,874	XXXXXX	125
126		16 Revenue-Tons Marine Terminal (S) 16-01 Marine Terminals - Coal	6,205,209	XXXXXX	126
127		16-02 Marine Terminals - Ore	4,155,672	XXXXXX	127
128		16-03 Marine Terminals - Other	187,478	XXXXXX	128
129		16-04 TOTAL (Lines 126-128)	10,548,359	XXXXXX	129
130		17 Number of Foreign Per Diem Cars on Line (T) 17-01 Serviceable	26,425	XXXXXX	130
131		17-02 Unserviceable	81	XXXXXX	131
132		17-03 Surplus	-	XXXXXX	132
133		17-04 TOTAL (Lines 130-132)	26,506	XXXXXX	133
134		TOFC/COFC - Average No. of Units Loaded Per Car	4.44	XXXXXX	134

VERIFICATION

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

OATH

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

State of Florida

County of Duval

Carolyn T. Sizemore makes oath and states that he (she) is Vice President and Controller

(insert here name of the affiant)

(insert here the official title of the affiant)

of CSX TRANSPORTATION, INC.

(insert here the exact legal title or name of the respondent)

that it is his or her 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 or she knows that such books have been kept in good faith during the period covered by this report; that he or she 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 or she 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 December 31, 2005, to and including December 29, 2006.

*Carolyn T. Sizemore*

(signature of affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and county above named, this 23RD day of March, 2007.

My commission expires 7/29/2010

Use an  
LS  
impression seal

*Lorie Rogan*

(signature of officer authorized to administer oaths)



**Lorie Rogan**  
Commission # DD534556  
Expires July 29, 2010  
Bonded Troy Fair - Insurance Inc 800-385-7019

SUPPLEMENTAL OATH

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

State of Florida

County of Duval

Michael J. Ward makes oath and states that he (she) is Chairman of the Board, President, and Chief Executive Officer

(insert here name of the affiant)

(insert here the official title of the affiant)

of CSX TRANSPORTATION, INC.

(insert here the exact legal title or name of the respondent)

that he or she has carefully examined the foregoing report; that he or she 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 December 31, 2005, to and including December 29, 2006.

*Michael J. Ward*

(Signature of affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and county above named, this 23RD day of March, 2007.

My commission expires 07/29/2010

Use an  
LS  
impression seal

*Lorie Rogan*

(signature of officer authorized to administer oaths)



**Lorie Rogan**  
Commission # DD534556  
Expires July 29, 2010  
Bonded Troy Fair - Insurance Inc 800-385-7019



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