

Class I Railroad Annual Report

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



**To the Surface Transportation Board
For the year ending December 31, 2016**

NOTICE

1. This report is required for every class I railroad operating within the United States. Three copies of this Annual Report should be completed. Two of the copies must be filed with the Surface Transportation Board, Office of Economics, Environmental Analysis, and Administration, 395 E Street, S.W. Suite 1100, Washington, DC 20423, by March 31 of the year following that for which the report is made. One copy should be retained by the carrier.
2. Every inquiry must be definitely answered. Where the word "none" truly and completely states the fact, it should be given as the answer. If any inquiry is inapplicable, the words "not applicable" should be used.
3. Wherever the space provided in the schedules is insufficient to permit a full and complete statement of the requested information, inserts should be prepared and appropriately identified by the number of the schedule.
4. All entries should be made in a permanent black ink or typed. Those of a contrary character must be indicated in parenthesis. Items of an unusual character must be indicated by appropriate symbols and explained in footnotes.
5. Money items, except averages, throughout the annual report form should be shown in thousands of dollars adjusted to accord with footings. Totals for amounts reported in subsidiary accounts included in supporting schedules must be in agreement with related primary accounts. For purposes of rounding, amounts of \$500 but less than \$1,000 should be raised to the nearest thousand dollars, and amounts of less than \$500 should be lowered.
6. Except where the context clearly indicates some other meaning, the following terms when used in this Form have the following meanings:
 - (a) Board means Surface Transportation Board.
 - (b) Respondent means the person or corporation in whose behalf the report is made.
 - (c) Year means the year ended December 31 for which the report is being made.
 - (d) Close of the Year means the close of business on December 31 for the year in which the report is being made. If the report is made for a shorter period than one year, it means the close of the period covered by the report.
 - (e) Beginning of the Year means the beginning of business on January 1 of the year for which the report is being made. If the report is made for a shorter period than one year, it means the beginning of that period.
 - (f) Preceding Year means the year ended December 31 of the year preceding the year for which the report is made.
 - (g) The Uniform System of Accounts for Railroad Companies means the system of accounts in Part 1201 of Title 49, Code of Federal Regulations, as amended.
7. The ICC Termination Act of 1995 abolished the Interstate Commerce Commission and replaced it with the Surface Transportation Board. Any references to the Interstate Commerce Commission or Commission contained in this report refer to the Surface Transportation Board.
8. Any references to the Bureau of Accounts or the Office of Economics contained in this report refer to the Office of Economics, Environmental Analysis, and Administration of the Surface Transportation Board.

For Index, See Back of Form

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ANNUAL REPORT

OF

NORFOLK SOUTHERN COMBINED RAILROAD SUBSIDIARIES
("NS RAIL")

TO THE

Surface Transportation Board

FOR THE

YEAR ENDED DECEMBER 31, 2016

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

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

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

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

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SPECIAL NOTICE

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

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

Supplemental Information about the Annual Report (R-1)

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

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

A. SCHEDULES OMITTED BY RESPONDENT

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

Page	Schedule No.	Title
		<p style="text-align: center;">NONE</p>

B. IDENTITY OF RESPONDENT

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

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

- 1 Exact name of common carrier making this report Norfolk Southern Combined Railroad Subsidiaries* (NS Rail) is
comprised principally of Norfolk Southern Railway Company.
- 2 Date of incorporation Norfolk Southern Railway Company was incorporated June 18, 1894, under the name Southern
Railway Company.
- 3 Under laws of what Government, State, or Territory organized? If more than one, name all. If in bankruptcy, give court of jurisdiction and dates of beginning of receivership and of appointment of receivers or trustees
Norfolk Southern Railway Company - Organized under and by virtue of an act of Assembly of the State of Virginia,
approved February 20, 1894.
- 4 If the respondent was reorganized during the year, involved in a consolidation or merger, or conducted its business under a different name, give full particulars - On June 1, 1982, Southern Railway Company (SR) and Norfolk and Western Railway
Company (NW) became subsidiaries of Norfolk Southern Corporation (NS), a transportation holding company incorporated
in Virginia. Effective December 31, 1990, NS transferred all the common stock of NW to SR, and SR's name was changed to
Norfolk Southern Railway Company (NSR). Effective September 1, 1998, NW was merged with and into NSR. In August 1998,
the STB's decision approving the joint application of NS, NSR and other parties to control Conrail, Inc. (Conrail) (which owns
Consolidated Rail Corporation) became final. NSR and CSX Transportation, Inc. (CSXT) began operating their respective
portions of Conrail's routes and assets on June 1, 1999. See also note 10 Schedule 200 on page 8.

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

STOCKHOLDERS REPORTS

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

Check appropriate box:

Two copies are attached to this report.

Two copies will be submitted

No annual report to stockholders is prepared. Not applicable for "Norfolk Southern Combined Railroad Subsidiaries."

C. VOTING POWERS AND ELECTIONS

1. State the par value of each share of stock: Common, \$ No Par per share; first preferred, \$ ____ per share; second preferred \$ ____ per share; debenture stock, \$ ____ per share.
2. State whether or not each share of stock has the right to one vote; if not, give full particulars in a footnote. Yes ____
3. Are voting rights proportional to holdings? Yes If no, state in a footnote the relation between holdings and corresponding voting rights.
4. Are voting rights attached to any securities other than stock? No If so, name in a footnote each security, other than stock, to which voting rights are attached (as of the close of the year), and state in detail the relation between holdings and corresponding voting rights, stating whether voting rights are actual or contingent, and if contingent, showing the contingency.
5. Has any class or issue of securities any special privileges in the election of directors, trustees, or managers, or in the determination of corporate action by any method? No If so, describe fully in a footnote each such class or issue and give a succinct statement showing clearly the character and extent of such privileges.
6. Give the date of the latest closing of the stock book prior to the actual filing of this report, and state the purpose of such closing.
Stock Books Do Not Close
7. State the total voting power of all security holders of the respondent at the date of such closing, if within one year of the date of such filing; if not, state as of the close of the year. NSR 16,668,997 votes as of December 31, 2016 (date)
8. State the total number of stockholders of record, as of the date shown in answer to inquiry No. 7. One stockholder.
9. Give the names of the thirty security holders of the respondent who, at the date of the latest closing of the stock book or compilation of the list of stockholders of the respondent (if within 1 year prior to the actual filing of this report), had the highest voting powers in the respondent, showing for each, his address, the number of votes he would have had a right to cast on that date had a meeting then been in order, and the classification of the number of votes to which he was entitled, with respect to securities held by him, such securities being classified as common stock, second preferred stock, first preferred stock, and other securities, stating in a footnote the names of such other securities (if any). If any such holder held in trust, give (in a footnote) the particulars of the trust. In the case of voting trust agreement, give as supplemental information the names and addresses of the thirty largest holders of the voting trust certificates and the amount of their individual holdings. If the stock book was not closed or the list of stockholders compiled within such year, show such thirty security holders as of the close of the year.

Line No.	Name of Security Holder	Address of Security Holder	Number of votes to which security holder was entitled	NUMBER OF VOTES, CLASSIFIED WITH RESPECT TO SECURITIES ON WHICH BASED			Line No.
				Stock			
				Common	PREFERRED		
		Second	First				
1	Norfolk Southern Railway:						1
2	Norfolk Southern Corp.	Norfolk, VA	16,668,997	16,668,997			2
3							3
4							4
5							5
6							6
7							7
8							8
9							9
10							10
11							11
12							12
13							13
14							14
15							15
16							16
17							17
18							18
19							19
20							20
21							21
22							22
23							23
24							24
25							25
26							26
27							27
28							28
29							29
30							30

C. VOTING POWERS AND ELECTIONS - Continued

10. State the total number of votes cast at the latest general meeting for the election of directors of the respondent.

NSR - 16,668,997 votes

11. Give the date of such meeting. NSR - May 24, 2016

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

NOTES AND REMARKS

Principles of Combined Reporting

Norfolk Southern Combined Railroad Subsidiaries (NS Rail) includes the affiliated railroads under the COMMON CONTROL of Norfolk Southern Corporation (NS). The major subsidiary is Norfolk Southern Railway Company and consolidated subsidiaries (NSR). See listing of companies included in combined rail reporting below. Nonrailroad subsidiaries whose assets and operations are not deemed to be an integral part of rail operations are included in this combined report in the following classifications:

Balance Sheet - Fixed Capital Assets - "Property Used in Other Than Carrier Operations"

Results of Operations - "Other Income" and "Miscellaneous Deductions From Income"

All significant intercompany balances and transactions have been eliminated in combination.

This form of Combined reporting was approved by the ICC Accounting and Valuation Board on March 23, 1987, as indicated in Chairman William F. Moss, III's letter.

The following companies are included in the combined rail reporting to the Surface Transportation Board:

<u>Class I</u>	<u>Lessors and Other</u>
Alabama Great Southern Railroad Company, The	Airforce Pipeline, Inc.
Cincinnati, New Orleans and Texas Pacific Railway Company, The	Alabama Great Southern, LLC
Norfolk Southern Railway Company	BRF Investment, LLC
	Central of Georgia, LLC
	Chicago Land Management, LLC
	Citico Realty Company
	High Point, Randleman, Asheboro and Southern Railroad Company
	Lamberts Point Barge Company, Inc.
	Mobile and Birmingham Railroad Company
	Norfolk Southern International, Inc.
	Norfolk Southern-Mexico, LLC
	NorfolkSouthernMexicana, S. de R.L. de C.V.
	North Carolina Midland Railroad Company, The
	NS Spectrum Corporation
	PLS Investment, LLC
	Rail Investment Company
	Reading Company, LLC [Delaware]
	Reading Company, LLC [Virginia]
	S-VA Corporation
	South Western Rail Road Company, The
	Southern Rail Terminals, Inc.
	Southern Rail Terminals of North Carolina, Inc.
	Southern Region Materials Supply, Inc.
	T-Cubed of North America, LLC
	TCV, Inc.
	Thoroughbred Direct Intermodal Services, Inc.
	Thoroughbred Emissions Research, LLC
	Thoroughbred Funding, Inc.
	Thoroughbred Technology & Telecommunications, LLC
	Transworks Company
	Transworks Inc.
	Transworks of Indiana, Inc.
	Triple Crown Services Company
	Virginia and Southwestern Railway Company
	Wheelerburg Terminal, LLC
	Yadkin Railroad Company
<u>Class II</u>	
Central of Georgia Railroad Company	
Georgia Southern and Florida Railway Company	
<u>Class III</u>	
Camp Lejeune Railroad Company	
Chesapeake Western Railway	
Interstate Railroad Company	
Norfolk and Portsmouth Belt Line Railroad Company	
State University Railroad Company	
Tennessee, Alabama & Georgia Railway Company	
Tennessee Railway Company	

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - ASSETS

(Dollars in Thousands)

Line No.	Cross Check	Account	Title (a)	Balance at close of year (b)	Balance at beginning of year (c)	Line No.
			Current Assets			
1		701	Cash and Cash Equivalents	886,529	1,043,341	1
2		702	Temporary Cash Investments			2
3		703	Special Deposits			3
			Accounts Receivable			
4		704	- Loan and Notes	545	585	4
5		705	- Interline and Other Balances	43,353	48,741	5
6		706	- Customers	456,156	449,648	6
7		707	- Other	156,578	119,155	7
8		709, 708	- Accrued Accounts Receivables	279,269	310,009	8
9		708.5	- Receivables from Affiliated Companies	8,954,383	13,570,844	9
10		709.5	- Less: Allowance for Uncollectible Accounts	(3,757)	(3,165)	10
11		710, 711, 714	Working Funds Prepayments Deferred Income Tax Debits	92,405	251,096	11
12		712	Materials and Supplies	256,653	270,764	12
13		713, 713.5, 713.6	Other Current Assets	33,503	11,652	13
14			TOTAL CURRENT ASSETS	11,155,617	16,072,670	14
			Other Assets			
15		715, 716, 717	Special Funds	2,359	2,102	15
16		721, 721.5	Investments and Advances Affiliated Companies (Schedule 310 and 310A)	1,018,645	994,759	16
17		722, 723	Other Investments and Advances	11,854	12,479	17
18		737, 738	Property Used in Other than Carrier Operation (less Depreciation) \$53,509 and \$51,650, respectively	118,752	120,624	18
19		739, 741	Other Assets	62,134	52,762	19
20		743	Other Deferred Debits	6,659	6,430	20
21		744	Accumulated Deferred Income Tax Debits			21
22			TOTAL OTHER ASSETS	1,220,403	1,189,156	22
			Road and Equipment			
23		731, 732	Road (Schedule 330, L-30 Col. h & b)	29,462,791	28,604,117	23
24		731, 732	Equipment (Schedule 330, L-39 Col. h & b)	10,425,635	10,301,786	24
25		731, 732	Unallocated Items	965,396	927,941	25
26		733, 735	Accumulated Depreciation and Amortization (Schedules 335, 342)	(11,869,425)	(11,591,634)	26
27			Net Road and Equipment	28,984,397	28,242,210	27
28	*		TOTAL ASSETS	41,360,417	45,504,036	28

NOTES AND REMARKS

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

Line No.	Cross Check	Account	Title (a)	Balance at close of year (b)	Balance at beginning of year (c)	Line No.
Current Liabilities						
29		751	Loans and Notes Payable	100,000	200,000	29
30		752	Accounts Payable; Interline and Other Balances	773	631	30
31		753	Audited Accounts and Wages	36,614	473	31
32		754	Other Accounts Payable	19,610	1,363	32
33		755, 756	Interest and Dividends Payable	3,101	3,106	33
34		757	Payables to Affiliated Companies	759,099	7,561,753	34
35		759	Accrued Accounts Payable	1,141,186	1,076,494	35
36		760, 761, 761.5, 762	Taxes Accrued	211,320	182,971	36
37		763	Other Current Liabilities	101,990	101,975	37
38		764	Equipment Obligations and Other Long-Term Debt	177	149	38
39			TOTAL CURRENT LIABILITIES	2,373,870	9,128,915	39
Non-Current Liabilities						
40		765, 767	Funded Debt Unmatured	551,826	451,826	40
41		766	Equipment Obligations			41
42		766.5	Capitalized Lease Obligations	1,637	1,740	42
43		768	Debt in Default			43
44		769	Accounts Payable; Affiliated Companies	5,813,618	5,206,742	44
45		770.1, 770.2	Unamortized Debt Premium	61,427	70,518	45
46		781	Interest in Default			46
47		783	Deferred Revenues-Transfers from Government Authorities			47
48		786	Accumulated Deferred Income Tax Credits	8,993,592	8,866,522	48
49		771, 772, 774, 775, 782, 784	Other Long-Term Liabilities and Deferred Credits	3,427,797	3,275,692	49
50			TOTAL NONCURRENT LIABILITIES	18,849,897	17,873,040	50
Shareholders' Equity						
51		791, 792	Total Capital Stock:	166,690	166,690	51
52			Common Stock	166,690	166,690	52
53			Preferred Stock			53
54			Discount on Capital Stock			54
55		794, 795	Additional Capital	7,263,099	7,263,099	55
56		797	Retained Earnings:			56
57		798	Appropriated			57
58		798.5	Unappropriated	13,129,361	11,447,987	58
59		799	Less Treasury Stock			59
60			Accumulated Other Comprehensive Income or (loss)	(422,500)	(375,695)	60
61			Total stockholders equity	20,136,650	18,502,081	61
62			Noncontrolling interest			62
63	*		Total equity (Lines 60 + 61)	20,136,650	18,502,081	63
63			TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	41,360,417	45,504,036	63

NOTES AND REMARKS

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION – EXPLANATORY NOTES

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

1. Amount (estimated, if necessary) of net income or retained income which has to be provided for capital expenditures, and for sinking and other funds pursuant to provisions of reorganization plans, mortgages, deeds of trust, or other contracts
NONE
2. Estimated amount of future earnings which can be realized before paying Federal income taxes because of unused and available net operating loss carryover on January 1 of the year following that for which the report is made
NONE
3. (a) Explain the procedure in accounting for pension funds and recording in the accounts the current and past service pension costs, indicating whether or not consistent with the prior year
SEE NOTE 12, PAGE 9
- (b) State amount, if any, representing the excess of the actuarially computed value of vested benefits over the total of the pension fund
SEE NOTE 12, PAGE 9
- (c) Is any part of pension plan funded? Specify. Yes X No _____
 (i) If funding is by insurance, give name of insuring company NOT APPLICABLE
 If funding is by trust agreement, list trustee(s) THE BOARD OF MANAGERS OF THE RETIREMENT PLAN OF NORFOLK SOUTHERN CORPORATION AND PARTICIPATING SUBSIDIARY COMPANIES, AS OF DECEMBER 31, 2016, THE MEMBERS OF THE BOARD OF MANAGERS ARE CINDY EARHART, CHAIRMAN; MIKE WHEELER, MEMBER; MARTA STEWART, MEMBER.
 Date of trust agreement or latest amendment JUNE 13, 2016
 If respondent is affiliated in any way with the trustee(s), explain affiliation _____
- (d) List affiliated companies which are included in the pension plan funding agreement and describe basis for allocating charges under the agreement
SEE NOTE 12, PAGE 9
- (e) Is any part of the pension plan fund invested in stock or other securities of the respondent or any of its affiliates? Specify. Yes _____ No X
 If yes, give number of the shares for each class of stock or other security: _____
- Are voting rights attached to any securities held by the pension plan? Specify. Yes X No _____
 If yes, who determines how stock is voted? THE BENEFITS INVESTMENT COMMITTEE IS AUTHORIZED TO GIVE INSTRUCTIONS TO THE BENEFITS INVESTMENT COMMITTEE'S NOMINEE REGARDING THE EXECUTION OF GENERAL PROXIES.
4. State whether a segregated political fund has been established as provided by the Federal Election Campaign Act of 1971 (18 U.S.C. 610). Yes X No _____
5. (a) The amount of employers contribution to employee stock ownership plans for the current year was NONE.
- (b) The amount of investment tax credit used to reduce current income tax expense resulting from contributions to qualified employee stock ownership plans for the current year was NONE.
6. In reference to Docket No. 37465 specify the total amount of business entertainment expenditures charged to the nonoperating expense account. NONE
7. Give particulars with respect to contingent assets and liabilities at the close of the year, in accordance with Instruction 5-6 in the Uniform System of Accounts for Railroad Companies that are not reflected in the amounts of the respondent.

Disclose the nature and amount of contingency that is material.

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

See Note 13 beginning on page 14.

- (a) Changes in Valuation Accounts

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

8. Marketable Equity Securities.

		Cost	Market	Dr. (Cr.) to Income	Dr. (Cr.) to Stockholders Equity
(Current Yr.)	Current Portfolio				N/A
as of / /	Noncurrent Portfolio			N/A	\$
(Previous Yr.)	Current Portfolio			N/A	N/A
as of / /	Noncurrent Portfolio			N/A	N/A

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

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

A net unrealized gain (loss) of \$_____ on the sale of marketable equity securities was included in net income for _____ (year). The cost of securities sold was based on the _____ (method) cost of all the shares of each security held at time of sale.

Significant net realized and net unrealized gains and losses arising after date of the financial statements but prior to the filing, applicable to marketable equity securities owned at balance sheet date shall be disclosed below:

NOTE: / / (date) Balance sheet date of reported year unless specified as previous year

9. Required Accounting Changes

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, "Revenue from Contracts with Customers." This update will replace most existing revenue recognition guidance in U.S. Generally Accepted Accounting Principles (GAAP) and require an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The new standard will be effective for our annual and interim reporting periods beginning January 1, 2018. ASU 2014-09 permits the use of either the retrospective or cumulative effect transition method. We are still evaluating the effects of ASU 2014-09, but we do not currently expect that adoption of the standard will have a material effect on our consolidated financial statements. There will be no change to our pattern of revenue recognition related to transportation revenue, which will continue to be recognized proportionally as a shipment moves from origin to destination. We do not plan to adopt the standard early and we have not yet determined which transition method we will use.

In February 2016, the FASB issued ASU 2016-02, "Leases." This update, effective for our annual and interim reporting periods beginning January 1, 2019, will replace existing lease guidance in GAAP and will require lessees to recognize lease assets and lease liabilities on the balance sheet for all leases greater than twelve months and disclose key information about leasing arrangements. When implemented, lessees and lessors will be required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. We are currently evaluating the effects ASU 2016-02 will have on our consolidated financial statements and related disclosures. We do not plan to adopt the standard early.

In June 2016, the FASB issued ASU 2016-13, "Credit Losses - Measurement of Credit Losses on Financial Instruments," which replaces the current incurred loss impairment method with a method that reflects expected credit losses. The new standard is effective as of January 1, 2020, and early adoption is permitted as of January 1, 2019. Because credit losses associated from our trade receivables have historically been insignificant, we do not expect this standard to have a material effect on our financial statements.

10. Related Parties**General**

NS is our parent holding company. Rail operations are coordinated at the holding company level by the Chief Operating Officer. NS charges us a fee for management services it performs for us (which totaled \$711 million in 2016 and \$695 million in 2015, including a \$57 million markup in 2016 and a \$45 million markup in 2015). In addition, NS charges us a revenue-based licensing fee (which totaled \$147 million in 2016 and \$152 million in 2015) for the use of certain intangible assets owned by NS.

Operations Over Conrail's Lines

Through a limited liability company, NS and CSX Corporation (CSX) jointly own Conrail Inc. (Conrail), whose primary subsidiary is Consolidated Rail Corporation (CRC). NS has a 58% economic and 50% voting interest in the jointly owned entity, and CSX has the remainder of the economic and voting interests.

CRC owns and operates certain properties (the Shared Assets Areas) for the joint and exclusive benefit of NSR and CSX Transportation, Inc. (CSXT). The costs of operating the Shared Assets Areas are borne by NSR and CSXT based on usage. In addition, NSR and CSXT pay CRC a fee for access to the Shared Assets Areas. "Railway operating expenses" include expenses payable to CRC for operation of the Shared Assets Areas totaling \$151 million in 2016 and \$154 million in 2015. Future minimum lease payments due to CRC under the Shared Assets Areas agreements are as follows: \$37 million in each of 2017 through 2021 and \$91 million thereafter. We provide certain general and administrative support functions to Conrail, the fees for which are billed in accordance with several service-provider arrangements and approximate \$8 million annually.

"Accrued accounts payable" includes \$129 million at December 31, 2016, and \$71 million at December 31, 2015, due to Conrail for the operation of the Shared Assets Areas.

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

Investment in TTX

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

Amounts paid to TTX for use of equipment are included in "Railway operating expenses." This amounted to \$229 million and \$219 million of expense, respectively, for the years ended December 31, 2016 and 2015. Our equity in the earnings of TTX, also included in "Railway operating expenses," totaled \$26 million for 2016 and \$21 million for 2015.

Intercompany Accounts

	December 31,	
	2016	2015
	(\$ in millions)	
Current:		
Receivables from Affiliated Companies	\$ 8,954	\$ 13,571
Payables to Affiliated Companies	\$ (759)	\$ (7,562)
Long-term		
Accounts Payable; Affiliated Companies	\$ (5,814)	\$ (5,207)

Interest is applied to certain advances at the average NS yield on short-term investments and to the notes at specified rates. Interest rates on these notes range from 2.90% to 6.0% with maturity dates ranging from 2021 to 2111. Our results include interest income on amounts due from NS of \$53 million in 2016 and \$27 million in 2015, and interest expense of \$188 million in 2016 and \$144 million in 2015 related to these intercompany accounts. These amounts are included in "Other expense – net."

Intercompany Federal Income Tax Accounts

Intercompany federal income tax accounts are recorded between companies in the NS consolidated group in accordance with the NS tax sharing agreement and are settled no later than the expiration of associated net operating loss carry forwards.

Cash Required for NS Debt

NS has outstanding approximately \$10.0 billion of unsecured notes. A significant portion of the funding for the interest and repayments on this and other NS debt is expected to be provided by us.

NS is subject to various financial covenants with respect to its debt and under its credit agreement, including a maximum leverage ratio restriction and certain restrictions on issuance of further debt. As a major NS subsidiary, we are subject to certain of those covenants.

11. Fair Value**Fair Value Measurements**

FASB Accounting Standards Codification (ASC) 820-10, "Fair Value Measurements," established a framework for measuring fair value and a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels, as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that we have the ability to access.
- Level 2 Inputs to the valuation methodology include:
 - quoted prices for similar assets or liabilities in active markets;
 - quoted prices for identical or similar assets or liabilities in inactive markets;
 - inputs other than quoted prices that are observable for the asset or liability;
 - inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

12. Pensions and Other Postretirement Benefits

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

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

Pension and Other Postretirement Benefit Obligations and Plan Assets

	Pension Benefits		Other Postretirement Benefits	
	2016	2015	2016	2015
	(\$ in millions)			
Change in benefit obligations:				
Benefit obligation at beginning of year	\$ 2,372	\$ 2,429	\$ 536	\$ 571
Service cost	36	41	7	7
Interest cost	82	93	16	21
Actuarial losses (gains)	66	(64)	14	(7)
Plan amendments	—	—	—	(8)
Benefits paid	(136)	(127)	(45)	(48)
Benefit obligation at end of year	<u>2,420</u>	<u>2,372</u>	<u>528</u>	<u>536</u>
Change in plan assets:				
Fair value of plan assets at beginning of year	2,040	2,167	189	262
Actual return on plan assets	152	(14)	17	2
Employer contribution (reimbursement) ¹	17	14	21	(27)
Benefits paid	(136)	(127)	(45)	(48)
Fair value of plan assets at end of year	<u>2,073</u>	<u>2,040</u>	<u>182</u>	<u>189</u>
Funded status at end of year	<u>\$ (347)</u>	<u>\$ (332)</u>	<u>\$ (346)</u>	<u>\$ (347)</u>
Amounts recognized in the Consolidated Balance Sheets:				
Noncurrent assets	\$ 2	\$ 2	\$ —	\$ —
Current liabilities	(16)	(16)	—	—
Noncurrent liabilities	(333)	(318)	(346)	(347)
Net amount recognized	<u>\$ (347)</u>	<u>\$ (332)</u>	<u>\$ (346)</u>	<u>\$ (347)</u>
Amounts included in accumulated other comprehensive income (before tax):				
Net loss	\$ 940	\$ 904	\$ 30	\$ 16
Prior service cost (benefit)	3	3	(307)	(331)

¹NS is eligible to receive reimbursement from the Norfolk Southern Corporation Post-Retirement Benefits Trust (Trust), and the Trust had an outstanding liability to NS of \$13 million as of December 31, 2016 and \$30 million at December 31, 2015.

NS' accumulated benefit obligation for its defined benefit pension plans is \$2.2 billion at both December 31, 2016 and December 31, 2015. NS' unfunded pension plans, included above, which in all cases have no assets and therefore have an accumulated benefit obligation in excess of plan assets, had projected benefit obligations of \$286 million at December 31, 2016 and \$274 million at December 31, 2015, and had accumulated benefit obligations of \$252 million at both December 31, 2016 and December 31, 2015.

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

Pension and Other Postretirement Benefit Cost Components

	<u>2016</u>	<u>2015</u>
	<i>(\$ in millions)</i>	
<i>Pension benefits:</i>		
Service cost	\$ 36	\$ 41
Interest cost	82	93
Expected return on plan assets	(173)	(165)
Amortization of net losses	51	65
Amortization of prior service cost	<u>—</u>	<u>—</u>
Net cost (benefit)	<u>\$ (4)</u>	<u>\$ 34</u>
<i>Other postretirement benefits:</i>		
Service cost	\$ 7	\$ 7
Interest cost	16	21
Expected return on plan assets	(17)	(19)
Amortization of prior service benefit	<u>(24)</u>	<u>(24)</u>
Net benefit	<u>\$ (18)</u>	<u>\$ (15)</u>

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

	<u>2016</u>	
	<u>Pension</u>	<u>Other</u>
	<u>Benefits</u>	<u>Postretirement</u>
	<i>(\$ in millions)</i>	
Net loss arising during the year	\$ 87	\$ 14
Amortization of net losses	(51)	—
Amortization of prior service benefit	<u>—</u>	<u>24</u>
Total recognized in other comprehensive loss	<u>\$ 36</u>	<u>\$ 38</u>
Total recognized in net periodic cost and other comprehensive loss	<u>\$ 32</u>	<u>\$ 20</u>

Net actuarial losses arising during the year for pension and other postretirement benefits were due primarily to a decrease in our discount rate.

The estimated net losses for the pension benefit plans that will be amortized from accumulated other comprehensive loss into net periodic cost over the next year are \$52 million. The estimated prior service cost for the pension benefit plans and the prior service benefit for the other postretirement benefit plans that will be amortized from accumulated other comprehensive loss into net periodic benefit over the next year are \$1 million and \$24 million, respectively.

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

Pension and Other Postretirement Benefits Assumptions

Costs for pension and other postretirement benefits are determined based on actuarial valuations that reflect appropriate assumptions as of the measurement date, ordinarily the beginning of each year. The funded status of the plans is determined using appropriate assumptions as of each year end. A summary of the major assumptions follows:

	<u>2016</u>	<u>2015</u>
Pension funded status:		
Discount rate	4.05 %	4.30 %
Future salary increases	4.21 %	4.50 %
Other postretirement benefits funded status:		
Discount rate	3.83 %	4.02 %
Pension cost:		
Discount rate – service cost	4.64 %	3.95 %
Discount rate – interest cost	3.51 %	3.95 %
Return on assets in plans	8.25 %	8.25 %
Future salary increases	4.50 %	4.50 %
Other postretirement benefits cost:		
Discount rate – service cost	4.36 %	3.70 %
Discount rate – interest cost	3.15 %	3.70 %
Return on assets in plans	8.00 %	8.00 %
Health care trend rate	6.30 %	6.56 %

To determine the discount rates used to measure its benefit obligations, NS utilizes analyses in which the projected annual cash flows from the pension and other postretirement benefit plans were matched with yield curves based on an appropriate universe of high-quality corporate bonds. NS uses the results of the yield curve analyses to select the discount rates that match the payment streams of the benefits in these plans.

Effective January 1, 2016, NS began using a spot rate approach to estimate the service cost and interest cost components of net periodic benefit cost for its pension and other postretirement benefits plans rather than a single weighted-average discount rate. This change in estimate did not affect the measurement of NS' total benefit obligations, but it did result in a total reduction in service and interest cost of \$25 million for the year ended December 31, 2016.

Health Care Cost Trend Assumptions

For measurement purposes at December 31, 2016, increases in the per capita cost of pre-Medicare covered health care benefits were assumed to be 6.56% for 2017. It is assumed the rate will decrease gradually to an ultimate rate of 5.0% for 2023 and remain at that level thereafter.

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

	One-percentage point	
	<u>Increase</u>	<u>Decrease</u>
	<i>(\$ in millions)</i>	
Increase (decrease) in:		
Total service and interest cost components	\$ 1	\$ (1)
Postretirement benefit obligation	11	(10)

Asset Management

Ten investment firms manage NS' defined benefit pension plans' assets under investment guidelines approved by NS' Benefits Investment Committee that is comprised of members of NS' management. Investments are restricted to domestic and international equity securities, domestic and international fixed income securities, and unleveraged exchange-traded options and financial futures. Limitations restrict investment concentration and use of certain derivative investments. The target asset allocation for equity is 75% of the pension plans' assets. The fixed income portfolio is invested in the BlackRock Government/Credit Bond Index Fund. Equity investments must be in liquid securities listed on national exchanges. No investment is permitted in NS' securities (except through commingled pension trust funds). Investment managers' returns are expected to meet or exceed selected market indices by prescribed margins.

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

	Percentage of plan	
	assets at December 31,	
	<u>2016</u>	<u>2015</u>
Domestic equity securities	51 %	50 %
International equity securities	24 %	23 %
Debt securities	23 %	25 %
Cash and cash equivalents	2 %	2 %
Total	<u>100 %</u>	<u>100 %</u>

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

The other postretirement benefit plan assets consist primarily of trust-owned variable life insurance policies with an asset allocation at both December 31, 2016 and December 31, 2015 of 67% in equity securities and 33% in debt securities. The target asset allocation for equity is between 50% and 75% of the plan's assets.

The plans' assumed future returns are based principally on the asset allocations and historical returns for the plans' asset classes determined from both actual plan returns and, over longer time periods, expected market returns for those asset classes. For 2017, NS assumes an 8.25% return on pension plan assets.

Fair Value of Plan Assets

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

Common stock: Shares held by the plan at year end are valued at the official closing price as defined by the exchange or at the most recent trade price of a security at the close of the active market.

Common collective trusts: Valued at the net asset value (NAV) of shares held by the plan at year end. The readily determinable fair value is based on the quoted market prices of the underlying assets of the trusts. The common collective trusts hold equity securities, fixed income securities and cash and cash equivalents.

Commingled funds: Valued at the NAV of shares held by the plan at year end. The readily determinable fair value is based on the quoted market prices of the underlying assets of the funds. The commingled funds hold equity securities.

Interest bearing cash: Short-term bills or notes are valued at an estimated price at which a dealer would pay for the security at year end using observable market-based inputs; money market funds are valued at the closing price reported on the active market on which the funds are traded.

U.S. government and agencies securities: Valued at an estimated price at which a dealer would pay for a security at year end using observable market-based inputs. Inflation adjusted instruments utilize the appropriate index factor.

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

	December 31, 2016		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
	<i>(\$ in millions)</i>		
Common stock	\$ 1,142	\$ —	\$ 1,142
Common collective trusts:			
Debt securities	—	481	481
International equity securities	—	324	324
Commingled funds	—	79	79
Interest bearing cash	43	—	43
U.S. government and agencies securities	—	4	4
	<u>\$ 1,185</u>	<u>\$ 888</u>	<u>\$ 2,073</u>
	December 31, 2015		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
	<i>(\$ in millions)</i>		
Common stock	\$ 1,119	\$ —	\$ 1,119
Common collective trusts:			
Debt securities	—	505	505
International equity securities	—	301	301
Commingled funds	—	77	77
Interest bearing cash	34	—	34
U.S. government and agencies securities	—	4	4
	<u>\$ 1,153</u>	<u>\$ 887</u>	<u>\$ 2,040</u>

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

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

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

The other postretirement benefit plan assets consisted of trust-owned life insurance with fair values of \$182 million and \$189 million at December 31, 2016 and 2015 respectively, and are valued under level 2 of the fair value hierarchy. There were no level 1 or level 3 valued assets.

The methods used to value pension and other postretirement benefit plan assets may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while NS believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Contributions and Estimated Future Benefit Payments

In 2017, NS expects to contribute approximately \$16 million to its unfunded pension plans for payments to pensioners and approximately \$44 million to its other postretirement benefit plans for retiree health and death benefits. NS does not expect to contribute to its funded pension plan in 2017.

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

	Pension Benefits	Other Postretirement Benefits
	<i>(\$ in millions)</i>	
2017	\$ 139	\$ 44
2018	141	43
2019	142	42
2020	142	41
2021	143	40
Years 2022 – 2026	723	180

Other Postretirement Coverage

Under collective bargaining agreements, NS and certain subsidiaries participate in a multi-employer benefit plan, which provides certain postretirement health care and life insurance benefits to eligible union employees. Premiums under this plan are expensed as incurred and totaled \$37 million in 2016 and \$32 million in 2015.

Section 401(k) Plans

NS and certain subsidiaries provide Section 401(k) savings plans for employees. Under the plans, NS matches a portion of employee contributions, subject to applicable limitations. NS' matching contributions, recorded as an expense, under these plans were \$21 million in both 2016 and 2015.

13. Commitments and Contingencies**Lawsuits**

We and/or certain subsidiaries are defendants in numerous lawsuits and other claims relating principally to railroad operations. When we conclude that it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated, it is accrued through a charge to earnings. While the ultimate amount of liability incurred in any of these lawsuits and claims is dependent on future developments, in our opinion, the recorded liability is adequate to cover the future payment of such liability and claims. However, the final outcome of any of these lawsuits and claims cannot be predicted with certainty, and unfavorable or unexpected outcomes could result in additional accruals that could be significant to results of operations in a particular year or quarter. Any adjustments to the recorded liability will be reflected in earnings in the periods in which such adjustments become known.

One of our chemical customers, Sunbelt, filed a rate reasonableness complaint before the STB alleging that our tariff rates for transportation of regulated movements are unreasonable. Since April 1, 2011, we have been billing and collecting amounts based on the challenged tariff rates. In 2014, the STB resolved this rate reasonableness complaint in our favor. In June 2016, the STB resolved petitions for reconsideration. The matter remains decided in our favor; however, the findings are still subject to appeal. We believe the estimate of any reasonably possible loss will not have a material effect on our financial position, results of operations, or liquidity. With regard to rate cases, we record adjustments to revenues in the periods if and when such adjustments are probable and reasonably estimable.

On November 6, 2007, various antitrust class actions filed against us and other Class I railroads in various Federal district courts regarding fuel surcharges were consolidated in the District of Columbia by the Judicial Panel on Multidistrict Litigation. On June 21, 2012, the court certified the case as a class action. The defendant railroads appealed this certification, and the Court of Appeals for the District of Columbia vacated the District Court's decision and remanded the case for further consideration. We believe the allegations in the complaints are without merit and intend to vigorously defend the cases. We do not believe the outcome of these proceedings will have a material effect on our financial position, results of operations, or liquidity.

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

Casualty Claims

Casualty claims include employee personal injury and occupational claims as well as third-party claims, all exclusive of legal costs. To aid in valuing our personal injury liability and determining the amount to accrue with respect to such claims during the year, we utilize studies prepared by an independent consulting actuarial firm. Job-related accidental injury and occupational claims are subject to the FELA, which is applicable only to railroads. FELA's fault-based system produces results that are unpredictable and inconsistent as compared with a no-fault workers' compensation system. The variability inherent in this system could result in actual costs being different from the liability recorded. While the ultimate amount of claims incurred is dependent on future developments, in our opinion, the recorded liability is adequate to cover the future payments of claims and is supported by the most recent actuarial study. In all cases, we record a liability when the expected loss for the claim is both probable and reasonably estimable.

Employee personal injury claims – The largest component of casualties and other claims expense is employee personal injury costs. The independent actuarial firm engaged by us provides quarterly studies to aid in valuing our employee personal injury liability and estimating personal injury expense. The actuarial firm studies our historical patterns of reserving for claims and subsequent settlements, taking into account relevant outside influences. The actuarial firm uses the results of these analyses to estimate the ultimate amount of liability. We adjust the liability quarterly based upon our assessment and the results of the study. Our estimate of the liability is subject to inherent limitation given the difficulty of predicting future events such as jury decisions, court interpretations, or legislative changes. As a result, actual claim settlements may vary from the estimated liability recorded.

Occupational claims – Occupational claims (including asbestosis and other respiratory diseases, as well as conditions allegedly related to repetitive motion) are often not caused by a specific accident or event but rather allegedly result from a claimed exposure over time. Many such claims are being asserted by former or retired employees, some of whom have not been employed in the rail industry for decades. The independent actuarial firm provides an estimate of the occupational claims liability based upon our history of claim filings, severity, payments, and other pertinent facts. The liability is dependent upon judgments we make as to the specific case reserves as well as judgments of the actuarial firm in the quarterly studies. The actuarial firm's estimate of ultimate loss includes a provision for those claims that have been incurred but not reported. This provision is derived by analyzing industry data and projecting our experience. We adjust the liability quarterly based upon our assessment and the results of the study. However, it is possible that the recorded liability may not be adequate to cover the future payment of claims. Adjustments to the recorded liability are reflected in operating expenses in the periods in which such adjustments become known.

Third-party claims – We record a liability for third-party claims including those for highway crossing accidents, trespasser and other injuries, automobile liability, property damage, and lading damage. The actuarial firm assists us with the calculation of potential liability for third-party claims, except lading damage, based upon our experience including the number and timing of incidents, amount of payments, settlement rates, number of open claims, and legal defenses. We adjust the liability quarterly based upon our assessment and the results of the study. Given the inherent uncertainty in regard to the ultimate outcome of third-party claims, it is possible that the actual loss may differ from the estimated liability recorded.

Environmental Matters

We are subject to various jurisdictions' environmental laws and regulations. We record a liability where such liability or loss is probable and its amount can be reasonably estimated. Environmental engineers regularly participate in ongoing evaluations of all known sites and in determining any necessary adjustments to liability estimates. We have an Environmental Policy Council, composed of senior managers, to oversee and interpret our environmental policy.

Our Combined Balance Sheets include liabilities for environmental exposures of \$67 million at December 31, 2016, and \$69 million at December 31, 2015 (of which \$15 million is classified as a current liability at the end of both 2016 and 2015). At December 31, 2016, the liability represents our estimates of the probable cleanup, investigation, and remediation costs based on available information at 134 known locations and projects compared with 145 locations and projects at December 31, 2015. At December 31, 2016, 18 sites accounted for \$46 million of the liability, and no individual site was considered to be material. We anticipate that much of this liability will be paid out over five years; however, some costs will be paid out over a longer period. Operating expenses for environmental matters totaled \$31 million in 2016 and \$40 million in 2015.

At 10 locations, one or more of our subsidiaries in conjunction with a number of other parties have been identified as potentially responsible parties under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 or comparable state statutes that impose joint and several liability for cleanup costs. We calculate our estimated liability for these sites based on facts and legal defenses applicable to each site and not solely on the basis of the potential for joint liability.

With respect to known environmental sites (whether identified by us or by the Environmental Protection Agency or comparable state authorities), estimates of our ultimate potential financial exposure for a given site or in the aggregate for all such sites can change over time because of the widely varying costs of currently available cleanup techniques, unpredictable contaminant recovery and reduction rates associated with available cleanup technologies, the likely development of new cleanup technologies, the difficulty of determining in advance the nature and full extent of contamination and each potential participant's share of any estimated loss (and that participant's ability to bear it), and evolving statutory and regulatory standards governing liability.

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

The risk of incurring environmental liability, for acts and omissions, past, present, and future, is inherent in the railroad business. Some of the commodities we transport, particularly those classified as hazardous materials, pose special risks that we work diligently to reduce. In addition, several of our subsidiaries own, or have owned, land used as operating property, or which is leased and operated by others, or held for sale. Because environmental problems that are latent or undisclosed may exist on these properties, there can be no assurance that we will not incur environmental liabilities or costs with respect to one or more of them, the amount and materiality of which cannot be estimated reliably at this time. Moreover, lawsuits and claims involving these and potentially other unidentified environmental sites and matters are likely to arise from time to time. The resulting liabilities could have a significant effect on financial position, results of operations, or liquidity in a particular year or quarter.

Based on our assessment of the facts and circumstances now known, we believe we have recorded the probable and reasonably estimable costs for dealing with those environmental matters of which we are aware. Further, we believe that it is unlikely that any known matters, either individually or in the aggregate, will have a material adverse effect on our financial position, results of operations, or liquidity.

Insurance

We obtain on behalf of ourself and our subsidiaries insurance for potential losses for third-party liability and first-party property damages. We are currently self-insured up to \$50 million and above \$1.1 billion (\$1.5 billion for specific perils) per occurrence and/or policy year for bodily injury and property damage to third parties and up to \$25 million and above \$200 million per occurrence and/or policy year for property owned by us or in our care, custody, or control.

Purchase Commitments

At December 31, 2016, we had outstanding purchase commitments totaling approximately \$1.3 billion for locomotives, track material, long-term service contracts, track and yard expansion projects in connection with our capital programs as well as freight cars and containers through 2022.

Change-In-Control Arrangements

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

Guarantees

In a number of instances, we have agreed to indemnify lenders for additional costs they may bear as a result of certain changes in laws or regulations applicable to their loans. Such changes may include impositions or modifications with respect to taxes, duties, reserves, liquidity, capital adequacy, special deposits, and similar requirements relating to extensions of credit by, deposits with, or the assets or liabilities of such lenders. The nature and timing of changes in laws or regulations applicable to our financings are inherently unpredictable, and therefore our exposure in connection with the foregoing indemnifications cannot be quantified. No liability has been recorded related to these indemnifications.

14. Freight Rates

In 2016, we continued our reliance on private contracts and exempt price quotes as the predominant pricing mechanism. Thus, a major portion of our freight business is not currently economically regulated by the government. In general, market forces have been substituted for government regulation and now are the primary determinant of rail service prices.

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210. RESULTS OF OPERATIONS

(Dollars in Thousands)

1. Disclose requested information for respondent pertaining to results of operations for the year.

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

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

4. All contra entries should be shown in parenthesis

5. Cross-checks

Schedule 210

Line 15, column (b)

Line 47 plus 48 plus 49, column (b)

Line 50, column (b)

Line 14, column (b)

Line 14, column (d)

Line 14, column (e)

Schedule 210

= Line 66, column (b)

= Line 67, column (b)

= Line 68, column (b)

Schedule 410

= Line 620, column (h)

= Line 620, column (f)

= Line 620, column (g)

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Freight-related revenue & expenses (d)	Passenger-related revenue & expenses (e)	Line No.
		ORDINARY ITEMS OPERATING INCOME Railway Operating Income					
1		(101) Freight	9,572,504	10,179,127	9,572,504		1
2		(102) Passenger					2
3		(103) Passenger-Related					3
4		(104) Switching	56,899	60,194	56,899		4
5		(105) Water Transfers					5
6		(106) Demurrage	184,481	195,179	184,481		6
7		(110) Incidental	74,382	76,680	74,382		7
8		(121) Joint Facility-Credit (Debit)					8
9		(122) Joint Facility-Debit (Credit)					9
10		(501) Railway operating revenues (Exclusive of transfers from Government Authorities-lines 1-9)	9,888,266	10,511,180	9,888,266		10
11		(502) Railway operating revenues-Transfers from Government Authorities for current operations					11
12		(503) Railway operating revenues-Amortization of deferred transfers from Government Authorities					12
13		TOTAL RAILWAY OPERATING REVENUES (lines 10-12)	9,888,266	10,511,180	9,888,266		13
14	*	(531) Railway operating expenses	7,129,838	7,886,482	7,129,838		14
15	*	Net revenue from railway operations	2,758,428	2,624,698	2,758,428		15
		OTHER INCOME					
16		(506) Revenue from property used in other than carrier operations	13,422	12,362			16
17		(510) Miscellaneous rent income	77,567	65,391			17
18		(512) Separately operated properties-Profit					18
19		(513) Dividend Income (cost method)					19
20		(514) Interest Income	55,925	27,907			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	44,103	34,985			24
		Income from affiliated companies: 519					
25		a. Dividends (equity method)		6			25
26		b. Equity in undistributed earnings (losses)	6				26
27		TOTAL OTHER INCOME (lines 16-26)	191,023	140,651			27
28		TOTAL INCOME (lines 15, 27)	2,949,451	2,765,349			28
		MISCELLANEOUS DEDUCTIONS FROM INCOME					
29		(534) Expenses of property used in other than carrier operations	16,740	19,596			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	20,144	15,022			34
35		(553) Uncollectible accounts					35
36		TOTAL MISCELLANEOUS DEDUCTIONS (lines 29-35)	36,884	34,618			36
37		Income available for fixed charges (lines 28, 36)	2,912,567	2,730,731			37

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

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Line No.
		FIXED CHARGES			
		(546) Interest on funded debt:			
38		(a) Fixed interest not in default	202,421	158,836	38
39		(b) Interest in default			39
40		(547) Interest on unfunded debt	25,479	15,464	40
41		(548) Amortization of discount on funded debt			41
42		TOTAL FIXED CHARGES (lines 38-41)	227,900	174,300	42
43		Income after fixed charges (line 37 minus line 42)	2,684,667	2,556,431	43
		OTHER DEDUCTIONS			
		(546) Interest on funded debt:			
44		(c) Contingent interest			44
		UNUSUAL OR INFREQUENT ITEMS			
45		(555) Unusual or infrequent items (debit) credit			45
46		Income (Loss) from continuing operations (before income taxes)	2,684,667	2,556,431	46
		PROVISIONS FOR INCOME TAXES			
		(556) Income taxes on ordinary income:			
47	*	(a) Federal income taxes	683,269	592,382	47
48	*	(b) State income taxes	73,533	56,956	48
49	*	(c) Other income taxes			49
50	*	(557) Provision for deferred taxes	235,739	278,891	50
51		TOTAL PROVISIONS FOR INCOME TAXES (lines 47-50)	992,541	928,229	51
52		Income from continuing operations (line 46 minus line 51)	1,692,126	1,628,202	52
		DISCONTINUED OPERATIONS			
53		(560) Income or loss from operations of discontinued segments (less applicable income taxes of \$)			53
54		(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of \$)			54
55		Income before extraordinary items (lines 52+53+54)	1,692,126	1,628,202	55
		EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES			
56		(570) Extraordinary items (Net)			56
57		(590) Income taxes on extraordinary items			57
58		(591) Provision for deferred taxes-Extraordinary items			58
59		TOTAL EXTRAORDINARY ITEMS (lines 56-58)			59
60		(592) Cumulative effect of changes in accounting principles (less applicable tax of \$)			60
61	*	Net income (Loss) (lines 55+59+60)	1,692,126	1,628,202	61
62		Less: Net Income attributable to noncontrolling interest			62
63		Net Income attributable to reporting railroad	1,692,126	1,628,202	63
64		Basic Earnings Per Share	101.51	97.68	64
65		Diluted Earnings Per Share	101.51	97.68	65
		RECONCILIATION OF NET RAILWAY OPERATING INCOME (NROI)			
66	*	Net revenues from railway operations	2,758,428	2,624,698	66
67	*	(556) Income taxes on ordinary income (-)	(756,802)	(649,338)	67
68	*	(557) Provision for deferred income taxes (-)	(235,739)	(278,891)	68
69		Income from lease of road and equipment (-)	(9,915)	(10,239)	69
70		Rent for leased roads and equipment (+)	24,849	24,560	70
71		Net railway operating income (loss)	1,780,821	1,710,790	71

Notes and Remarks For Schedules 210 and 220

Empty rectangular box for notes and remarks.

210 A. CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Dollars in Thousands)

1. This schedule applies only to entities with items of Other Comprehensive Income (OCI) Cross-Checks
Schedule 210 Schedule 210 A
Line 61, col b = Line 1, col b
2. Entities must present comprehensive income in two separate but consecutive financial statements.
3. Entities must present reclassification adjustments and the effects of those adjustments on net income and OCI on the face of the financial statements.
4. All contra entries should be shown in parenthesis.

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Freight-related revenue & expenses (d)	Passenger-related revenue & expenses (e)	Line No.
1		Net Income	1,692,126	1,628,202	1,692,126		1
2		Other Comprehensive Income, net of tax:					
		Foreign currency translation adjustments		8			2
3		Unrealized gains on securities:					
		Unrealized holding gains arising during period	(345)	(3,551)	(345)		3
4		Less: reclassification adjustment for gains included in net income					4
5		Defined benefit pension plans:					
		Prior service cost arising during period					5
6		Net loss arising during period	(62,969)	(72,486)	(62,969)		6
7		Less: amortization of prior service cost included in net periodic pension cost	16,509	25,518	16,509		7
8		Other Comprehensive Income	(46,805)	(50,511)	(46,805)		8
9		Comprehensive Income	1,645,321	1,577,691	1,645,321		9
10		Less: comprehensive income attributable to noncontrolling interest					10
11		Comprehensive Income attributable to reporting railroad	1,645,321	1,577,691	1,645,321		11

Notes:

220. RETAINED EARNINGS

(Dollars in Thousands)

1. Show below the items of Retained Earnings Accounts of the respondent for the year, classified in accordance with the Uniform System of Accounts for Railroad Companies.
2. All contra entries hereunder should be shown in parentheses.
3. Show in lines 22 and 23 the amount of assigned Federal income tax consequences for Account 606 and 616.
4. Segregate in column (c) all amounts applicable to the equity in undistributed earnings (losses) of affiliated companies based on the equity method of accounting.
5. The total of column (b) and (c), lines 3 and 7, should agree with line 61 column (b), Schedule 210.
6. Include in column (b) only amounts applicable to retained earnings exclusive of any amounts included in column (c).

Line No.	Cross Check	Item	Retained earnings- Unappropriated	Equity in undistributed earnings (losses) of affiliated companies	Line No.
		(a)	(b)	(c)	
1		Balances at beginning of year	11,447,987		1
2	(601.5)	Prior period adjustments to beginning retained earnings			2
		CREDITS			
3	(602)	Credit balance transferred from income	1,692,126		3
4	(603)	Appropriations released			4
5	(606)	Other credits to retained earnings			5
6		TOTAL	1,692,126		6
		DEBITS			
7	(612)	Debit balance transferred from income			7
8	(616)	Other debits to retained earnings	10,742		8
9	(620)	Appropriations for sinking and other funds			9
10	(621)	Appropriations for other purposes			10
11	(623)	Dividends: Common stock	10		11
12		Preferred stock (1)			12
13		TOTAL	10,752		13
14		Net increase (decrease) during year (line 6 minus line 13)	1,681,374		14
15		Balances at close of year (lines 1, 2 & 14)	13,129,361		15
16		Balances from line 15 (c)		N/A *	16
17	(798)	Total unappropriated retained earnings and equity in undistributed earnings (losses) of affiliated companies at end of year	13,129,361	N/A	17
18	(797)	Total appropriated retained earnings:			18
19		Credits during year			19
20		Debits during year			20
21		Balance at close of year \$0			21
		Amount of assigned Federal income tax consequences:			
22		Account 606 \$ None			22
23		Account 616 \$ None			23

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

NOTES AND REMARKS

Amounts on line 8 represent distributions of earnings associated with a limited liability company. Board approval for use of Account 616 was provided by letter dated February 28, 2017.

* Respondent maintains equity accounting for affiliates by recording transactions into the books of accounts. Therefore, a separate retained earnings memorandum account for the financial reporting of the equity portion is not maintained.

240. STATEMENT OF CASH FLOWS

(Dollars in Thousands)

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

CASH FLOWS FROM OPERATING ACTIVITIES

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

RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Line No.	Cross Check	Description (a)	Current Year (b)	Prior Year (c)	Line No.
10		Income from continuing operations	1,692,126	1,628,202	10

ADJUSTMENTS TO RECONCILE INCOME FROM CONTINUING OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Line No.	Cross Check	Description (a)	Current Year (b)	Prior Year (c)	Line No.
11		Loss (gain) on sale or disposal of tangible property and investments	(38,370)	(28,353)	11
12		Depreciation and amortization expenses	1,084,154	1,109,313	12
13		Increase (decrease) in provision for deferred income taxes	235,739	278,891	13
14		Net decrease (increase) in undistributed earnings (losses) of affiliates	(16,542)	(11,441)	14
15		Decrease (increase) in accounts receivable	14,570	107,080	15
16		Decrease (increase) in materials and supplies, and other current assets	199,103	173,614	16
17		Increase (decrease) in current liabilities other than debt	152,002	(188,357)	17
18		Increase (decrease) in other-net	7,636	241,214	18
19		Net cash provided from continuing operations (Lines 10-18)	3,330,418	3,310,163	19
20		Add (subtract) cash generated (paid) by reason of discontinued operations and extraordinary items			20
21		NET CASH PROVIDED FROM OPERATING ACTIVITIES (Lines 19 & 20)	3,330,418	3,310,163	21

CASH FLOWS FROM INVESTING ACTIVITIES

Line No.	Cross Check	Description (a)	Current Year (b)	Prior Year (c)	Line No.
22		Proceeds from sale of property and other transactions	86,855	25,067	22
23		Capital expenditures	(1,886,612)	(2,384,251)	23
24		Net change in temporary cash investments not qualifying as cash equivalents			24
25		Proceeds from sale/repayment of investment and advances	3,237	48,964	25
26		Purchase price of long-term investment and advances	(10,341)	(4,558)	26
27		Net decrease (increase) in sinking and other special funds	(250)	(44,823)	27
28		Other-net			28
29		NET CASH USED IN INVESTING ACTIVITIES (Lines 22-28)	(1,807,111)	(2,359,601)	29

(Continued on next page)

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

CASH FLOWS FROM FINANCING ACTIVITIES

Line No.	Cross Check	Description (a)	Current Year (b)	Prior Year (c)	Line No.
30		Proceeds from issuance of long-term debt	100,076	100,000	30
31		Principal payments of long-term debt	(100,151)	(101,580)	31
32		Proceeds from issuance of capital stock			32
33		Purchase price of acquiring treasury stock			33
34		Cash dividends paid			34
35		Other - net	(1,680,044)	(777,493)	35
36		NET CASH USED IN FINANCING ACTIVITIES (Lines 30-35)	(1,680,119)	(779,073)	36
37		NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (Lines 21, 29 & 36)	(156,812)	171,489	37
38		Cash and cash equivalents at beginning of the year	1,043,341	871,852	38
39		CASH AND CASH EQUIVALENTS AT END OF THE YEAR (Lines 37 & 38)	886,529	1,043,341	39
		Footnotes to Schedule 240			
		Cash paid during the year for:			
40		Interest (net of amount capitalized)*	24,404	24,733	40
41		Income taxes (net)*	575,972	371,074	41

*Only applies if indirect method is adopted.

NOTES AND REMARKS

245. WORKING CAPITAL

(Dollars in Thousands)

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

Line No.	Item (a)	Source No.	Amount (b)	Line No.
CURRENT OPERATING ASSETS				
1	Interline and Other Balances (705)	Schedule 200, line 5, column b	43,353	1
2	Customers (706)	Schedule 200, line 6, column b	456,156	2
3	Other (707)	Note A	156,578	3
4	TOTAL CURRENT OPERATING ASSETS	Line 1 + 2 + 3	656,087	4
OPERATING REVENUE				
5	Railway Operating Revenue	Schedule 210, line 13, column b	9,888,266	5
6	Rent Income	Note B	273,115	6
7	TOTAL OPERATING REVENUES	Lines 5 + 6	10,161,381	7
8	Average Daily Operating Revenues	Line 7 ÷ 360 days	28,226	8
9	Days of Operating Revenue in Current Operating Assets	Line 4 ÷ line 8	23	9
10	Revenue Delay Days Plus Buffer	Lines 9 + 15 days	38	10
CURRENT OPERATING LIABILITIES				
11	Interline and Other Balances (752)	Schedule 200, line 30, column b	773	11
12	Audited Accounts and Wages Payable (753)	Note A	36,614	12
13	Accounts Payable-Other (754)	Note A	19,610	13
14	Other Taxes Accrued (761.5)	Note A	188,215	14
15	TOTAL CURRENT OPERATING LIABILITIES	Sum of lines 11 to 14	245,212	15
OPERATING EXPENSES				
16	Railway Operating Expenses	Schedule 210, line 14, column b	7,129,838	16
17	Depreciation	Schedule 410, lines 136, 137, 138, 213, 232, 317, column h	1,082,191	17
18	Cash Related Operating Expenses	Line 16 + line 6 - line 17	6,320,762	18
19	Average Daily Expenditures	Line 18 ÷ 360 days	17,558	19
20	Days of Operating Expenses in Current Operating Liabilities	Line 15 ÷ line 19	14	20
21	Days of Working Capital Required	Line 10 - line 20 (Note C)	24	21
22	Cash Working Capital Required	Line 21 x line 19	421,392	22
23	Cash and Temporary Cash Balance	Schedule 200, line 1 + line 2, column b	886,529	23
24	Cash Working Capital Allowed	Lesser line 22 and line 23	421,392	24
MATERIALS AND SUPPLIES				
25	Total Material and Supplies (712)	Note A	256,653	25
26	Scrap and Obsolete Material included in Acct. 712	Note A		26
27	Materials and Supplies held for Common Carrier Purposes	Line 25 - line 26	256,653	27
28	TOTAL WORKING CAPITAL	Line 24 + line 27	678,045	28

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

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

(C) If result is negative, use zero.

NOTES AND REMARKS

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GENERAL INSTRUCTIONS CONCERNING RETURNS IN SCHEDULES 310 AND 310A

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

Symbol	Kind of Industry
I	Agriculture, forestry, and fisheries
II	Mining
III	Construction
IV	Manufacturing
V	Wholesale and retail trade
VI	Finance, insurance, and real estate
VII	Transportation, communications, and other public utilities
VIII	Services
IX	Government
X	All other
5. By carriers, as the term is used here, is meant companies owning or operating railroads, facilities auxiliary thereto such as bridges, ferries, union depots, and other terminal facilities, sleeping cars, parlor cars, dining cars, freight cars, express services and facilities, electric railways, highway motor vehicles, steamboats and other marine transportation equipment, pipe lines (other than those for transportation of water), and other instrumentalities devoted to the transportation of persons or property for hire. Telegraph and telephone companies are not meant to be included.
6. Noncarrier companies should, for the purposes of these schedules, include telephone companies, telegraph companies, mining companies, manufacturing companies, hotel companies, etc. Purely holding companies are to be classified as noncarrier companies, even though the securities held by such companies are largely or entirely issued or assumed by carriers.
7. By an active corporation is meant one which maintains an organization for operating property or administering its financial affairs. An inactive corporation is one which has been practically absorbed in a controlling corporation and which neither operates property nor administers its financial affairs. If it maintains an organization it does so only for the purpose of complying with legal requirements and maintaining title to property or franchises.
8. Combine in one account investments in which the original cost or present equity in total assets is less than \$10,000.
9. Include investments in unincorporated entities such as lessee organizations. Exclude amounts normally settled on a current basis.
10. Do not include the value of securities issue or assumed by respondent.
11. For affiliates which do not report to the Surface Transportation Board and are jointly owned, disclose in footnotes the name and extent of control of the other controlling entities.

310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES

1. Give particulars of investments in stocks, bonds, other secured obligations, unsecured notes, and investment advances of companies affiliated with respondent, included in accounts Nos. 715, "Sinking Funds"; 716, "Capital Funds"; 721, "Investments and Advances Affiliated Companies"; and 717, "Other Funds."
2. Entries in this schedule should be made in accordance with the definitions and general instructions given on page 25, classifying the investments by means of letters, figures, and symbols in columns (a), (b) and (c).
3. Indicate by means of an arbitrary mark in column (d) the obligation in support of which any security is pledged, mortgaged, or otherwise encumbered. Give names and other important particulars of such obligations in footnotes.
4. Give totals for each class and for each subclass and a grand total for each account.
5. Entries in column (d) should show date of maturity of bonds and other evidences of indebtedness. In case obligations of the same designation mature serially, the date in column (d) may be reported as "Serially _____ to _____." Abbreviations in common use in standard financial publications may be used to conserve space.

Line No.	Account No.	Class No.	Kind of industry	Name of issuing company and also lien reference, if any (include rate for preferred stocks and bonds)	Extent of Control	Line No.
	(a)	(b)	(c)	(d)	(e)	
1	721	A-1	VII	Augusta & Summerville RR Co. (1)	50.00	1
2				Beaver Street Tower Co. (2)	25.00	2
3				Belt Railway Company of Chicago (3)	25.00	3
4				Central Transfer Rwy. and Storage Co. (4)	50.00	4
5				Chatham Terminal Co. (5)	50.00	5
6				Kansas City Terminal Rwy. (6)	8.33	6
7				Meridian Speedway, LLC (7)	30.00	7
8				North Charleston Terminal Co. (8)	33.33	8
9				Pan Am Southern, LLC (9)	50.00	9
10				Peoria and Pekin Union Rwy. (10)	40.64	10
11				Terminal Railroad Association of St. Louis (11)	14.29	11
12				TTX Company (12)	19.65	12
13				Winston-Salem Southbound Rwy. Co. (13)	50.00	13
14				Woodstock & Blocton Rwy. Co. (14)	50.00	14
15						15
16				Total A-1		16
17						17
18						18
19						19
20						20
21						21
22		A-3	X	MeteorComm, LLC (15)	25.00	22
23				PTC 220, LLC (16)	14.29	23
24				Roanoke Valley Development Corporation (17)	45.44	24
25						25
26				Total A-3		26
27						27
28						28
29						29
30						30
31						31
32						32
33						33
34						34
35						35
36						36
37						37
38						38

NOTES AND REMARKS

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

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

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

Line No.	Investments and advances				Disposed of: profit (loss)	Adjustments Account 721.5	Dividends or interest credited to income	Line No.
	Opening balance	Additions	Deductions (if other than sale, explain)	Closing balance				
	(f)	(g)	(h)	(i)	(j)	(k)	(l)	
1	28			28				1
2								2
3	173			173		20		3
4	19			19				4
5	19			19				5
6								6
7	302,008	2,400		304,408				7
8	35			35				8
9	151,294			151,294				9
10	157			157				10
11	330			330				11
12	309			309				12
13	1,323			1,323				13
14	120			120				14
15								15
16	455,815	2,400		458,215		20		16
17								17
18								18
19								19
20								20
21								21
22	66,650	6,500		73,150				22
23	7,933	1,015		8,948				23
24	200			200				24
25								25
26	74,783	7,515		82,298				26
27								27
28								28
29								29
30								30
31								31
32								32
33								33
34								34
35								35
36								36
37								37
38								38

NOTES AND REMARKS

- (11) Controlled jointly - Other RRs own 85.71%
- (12) Controlled jointly - Other RRs own 80.35%
- (13) CSX Transp., Inc. owns 50%
- (14) CSX Transp., Inc. owns 50%

- (15) Controlled jointly - Other RRs own 75%
- (16) Controlled jointly - Other RRs own 85.71%
- (17) Controlled jointly - Others own 54.56%

310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES - Continued

(Dollars in Thousands)

Line No.	Account No.	Class No.	Kind of industry	Name of issuing company and also lien reference, if any (include rate for preferred stocks and bonds)	Extent of Control	Line No.
	(a)	(b)	(c)	(d)	(e)	
1	721	E-1	VII	Beaver St. Tower Co.		1
2				Central Transfer Rwy. & Storage Co.		2
3				Chatham Terminal Co.		3
4				Kansas City Terminal Rwy.		4
5				North Charleston Terminal Co.		5
6				Pan Am Southern, LLC		6
7				Terminal Railroad Association of St. Louis		7
8				Woodstock & Blocton Rwy.		8
9						9
10						10
11						11
12				Total E-1		12
13						13
14		E-3	X	Norfolk Southern Corporation		14
15			X	Other (principally long-term investments in certificates of deposit)		15
16			VI	Southern Region Industrial Realty, Inc.		16
17						17
18				Total E-3		18
19						19
20						20
21						21
22						22
23						23
24						24
25						25
26				Total 721		26
27						27
28						28
29						29
30						30
31						31
32						32
33						33
34						34
35						35
36						36
37						37
38						38
39						39
40						40

NOTES AND REMARKS

310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES - Concluded

(Dollars in Thousands)

Line No.	Opening balance (f)	Investments and advances			Disposed of: profit (loss) (j)	Adjustments Account 721.5 (k)	Dividends or interest credited to income (l)	Line No.
		Additions (g)	Deductions (if other than sale, explain) (h)	Closing balance (i)				
1	5			5				1
2	25			25				2
3	5			5				3
4	3,133			3,133				4
5	224			224				5
6	3,803		1,819	1,984				6
7	170			170				7
8	10			10				8
9								9
10								10
11								11
12	7,375		1,819	5,556				12
13								13
14	39,731			39,731				14
15	3,400	426		3,826				15
16	383			383				16
17								17
18	43,514	426		43,940				18
19								19
20								20
21								21
22	581,487	10,341	1,819	590,009		20		22
23								23
24				(20)	721.5 Total			24
25				428,656	Sch. 310A Total			25
26				1,018,645				26
27								27
28								28
29								29
30								30
31								31
32								32
33								33
34								34
35								35
36								36
37								37
38								38
39								39
40								40

NOTES AND REMARKS

Line 6, column h, represent repayment of advances.

310A. INVESTMENTS IN COMMON STOCKS OF AFFILIATED COMPANIES

(Dollars in Thousands)

Undistributed Earnings From Certain Investments in Affiliated Companies

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

Line No.	Name of issuing company and description of security held (a)	Balance at beginning of year (b)	Adjustment for investments equity method (c)	Equity in undistributed earnings (losses) during year (d)	Amortization during year (e)	Adjustment for investments disposed of or written down during year (f)	Balance at close of year (g)	Line No.
	Carriers: (List specifics for each company)							
1	Augusta & Summerville RR Co.	56					56	1
2	Belt Railway Company of Chicago	17,864		779			18,643	2
3	Central Transfer and Storage Co.	16					16	3
4	Meridian Speedway, LLC	(27,613)		(2,429)			(30,042)	4
5	Pan Am Southern, LLC	1,934		1,639			3,573	5
6	Peoria and Pekin Union Rwy.	(670)	(691)	638			(723)	6
7	TTX Company	444,426		25,992			470,418	7
8	Winston-Salem Southbound Rwy.	7,279		1,037			8,316	8
9	Woodstock and Blocton Rwy. Co.	2	(6)	6			2	9
10								10
11	Total Carriers	443,294	(697)	27,662			470,259	11
12								12
13	Noncarriers (List specifics for each company)							13
14	Meteorcomm, LLC	(29,570)		(10,739)			(40,309)	14
15	PTC 220, LLC	(1,613)		(862)			(2,475)	15
16	Roanoke Valley Development Corporation	1,181					1,181	16
17								17
18	Total Noncarriers	(30,002)		(11,601)			(41,603)	18
19								19
20	Total Equity*	413,292	(697)	16,061			428,656	20
21								21

NOTES AND REMARKS

Respondent maintains equity accounting for affiliates by recording transactions into the books of accounts. Therefore, a separate retained earnings memorandum account for the financial reporting of the equity portion is not maintained.

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

* Actual equity earnings, as reported on Schedule 210, Line 26 Column (b) are \$6. The difference between the Schedule 210 and the equity in undistributed earnings listed above is due to a portion of the amounts credited to operating expenses. These earnings equal \$16,400 and adjustments to Other Comprehensive Income and Retained Earnings equals \$(345).

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 330

1. Give particulars of balances at the beginning and close of the year and of all changes during the year in Account No. 731, "Road and Equipment Property", and Account No. 732, "Improvements on Leased Property", classified by primary accounts in accordance with the Uniform System of Accounts for Railroad Companies. The balances, by primary accounts, should insofar as known, be stated in column (b) and all changes made during the year should be analyzed in columns (c) to (f), inclusive. Column (g) should be the net of amounts in column (c) through (f). Column (h) is the aggregate of columns (b) to (f), inclusive. Grand totals of columns (b) and (h) should equal the sum of Accounts 731 and 732 for the respective periods; if not, full explanation should be made in a footnote.
2. In column (c) show disbursements made for the specific purpose of purchasing, constructing, and equipping new lines, and for the extension of old lines, as provided for in Instruction 2-1, "Items to be charged", of the Uniform System of Accounts for Railroad Companies for such items.
3. In column (d) show the cost of a railway or portion thereof, acquired as an operating entity or system by purchase, merger, consolidation, reorganization, receivership sale or transfer, or otherwise.
4. Columns (c) and (e) should include all entries covering expenditures for additions and betterments, as defined, whether or not replacing other property.
5. All credits representing property sold, abandoned, or otherwise retired should be shown in column (f).
6. Both the debit and credit involved in each transfer, adjustment, or clearance between road and equipment accounts, should be included in the column in which the item was initially included; also the transfer of prior years' debits or credits from investment in road and equipment to operating expenses or other accounts, or vice versa, should be included in the column applicable to current items of like nature. Each such transfer, adjustment, or clearance should be fully explained when in excess of \$100,000.
7. If during the year an individual charge of \$100,000 or more was made to Account No. 2, "Land for Transportation Purposes", state the cost, location, area, and other details which will identify the property in a footnote.
8. Report on line 29 amounts not includible in the primary road accounts. The items reported should be briefly identified and explained under "Notes and Remarks" below. Amounts should be reported on this line only under special circumstances, usually after permission is obtained from the Commission for exceptions to prescribed accounting. Reference to such authority should be made when explaining the amounts reported. Respondents must not make arbitrary changes to the printed stub or column headings without specific authority from the Commission.
9. If during the year a segment of transportation property was acquired, state in a footnote the name of the vendor, the mileage acquired, and the date of acquisition, giving termini and the cost of the property to the respondent. Also furnish a statement of the amount included in each primary account representing such property acquired, referring to the column or columns in which the entries appear.
10. If an amount of less than \$5,000 is used as the minimum for additions and betterments to property investment accounts as provided for in Instruction 2-2 of the Uniform System of Accounts for Railroad Companies, state in a footnote the amount used.

NOTES AND REMARKS

(Dollars in Thousands)

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

760,279	Schedule 410, Lines 136 - 138, Column (h)
5,129	Shop Machinery Schedule 335, Line 26, column(c)
13,014	Depreciation capitalized
<u>778,422</u>	Total
756,716	Schedule 335, Line 30, Column (c)
21,706	Schedule 342, Line 29, Column (c)
<u>778,422</u>	Total

Equipment (Column (c))

321,912	Schedule 410, Sum of lines 213,232,317, Column (h)
(5,129)	Shop Machinery
<u>316,783</u>	Total
316,757	Schedule 335, Line 40, Column (c)
26	Schedule 342, Line 38, Column (c)
<u>316,783</u>	

Schedule 342 (Column (c))

21,706	Road
26	Equipment
<u>21,732</u>	Schedule 342, Line 39

Reconciliation of Accumulated Depreciation and Amortization to Schedule 200

11,573,339	Schedule 335, Line 41, Column (g)
296,086	Schedule 342, Line 39, Column (g)
<u>11,869,425</u>	
<u>11,869,425</u>	Schedule 200, Line 26, Column (b)

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

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	Expenditures during the year for original road and equipment, and road extensions (c)	Expenditures during the year for purchase of existing lines, reorganizations, etc. (d)	Line No.
1		(2) Land for transportation purpose	2,205,763			1
2		(3) Grading	3,167,741			2
3		(4) Other, right-of-way expenditures	18,997			3
4		(5) Tunnels and subways	402,660			4
5		(6) Bridges, trestles, and culverts	2,734,717			5
6		(7) Elevated structures	42,582			6
7		(8) Ties	4,800,369			7
8		(9) Rail and other track material	6,467,249			8
9		(11) Ballast	2,468,409			9
10		(13) Fences, snow sheds, and signs	7,132			10
11		(16) Station and office buildings	795,940			11
12		(17) Roadway buildings	49,824			12
13		(18) Water stations				13
14		(19) Fuel stations	104,570			14
15		(20) Shops and enginehouses	476,995			15
16		(22) Storage warehouses	871			16
17		(23) Wharves and docks	4,852			17
18		(24) Coal and ore wharves	248,648			18
19		(25) TOFC/COFC terminals	796,480			19
20		(26) Communications systems	631,575			20
21		(27) Signals and interlocker	1,847,729			21
22		(29) Power plants	2,775			22
23		(31) Power-transmissions systems	41,646			23
24		(35) Miscellaneous structures	14,292			24
25		(37) Roadway machines	679,116			25
26		(39) Public improvements-Construction	410,688			26
27		(44) Shop machinery	167,218			27
28		(45) Power-plant machinery	15,279			28
29		Other (specify and explain)				29
30		TOTAL EXPENDITURES FOR ROAD	28,604,117			30
31		(52) Locomotives	5,291,180			31
32		(53) Freight-train cars	3,437,406			32
33		(54) Passenger-train cars				33
34		(55) Highway revenue equipment	641,520			34
35		(56) Floating equipment				35
36		(57) Work equipment	179,798			36
37		(58) Miscellaneous equipment	252,361			37
38		(59) Computer systems and word processing equip	499,521			38
39		TOTAL EQUIPMENT	10,301,786			39
40		(76) Interest during construction				40
41		(80) Other elements of investment				41
42		(90) Construction in progress	927,941			42
43		GRAND TOTAL	39,833,844			43

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

Line No.	Cross Check	Expenditures for additions during the year (e)	Credits for property retired during the year (f)	Net changes during the year (g)	Balance at close of year (h)	Line No.
1		6,563	2,008	4,555	2,210,318	1
2		18,353	(721)	19,074	3,186,815	2
3		278		278	19,275	3
4		64		64	402,724	4
5		56,125	2,063	54,062	2,788,779	5
6		1		1	42,583	6
7		247,906	82,969	164,937	4,965,306	7
8		299,142	134,311	164,831	6,632,080	8
9		113,267	22,660	90,607	2,559,016	9
10		532		532	7,664	10
11		69,980	27,488	42,492	838,432	11
12		(27)	(2)	(25)	49,799	12
13						13
14		13,559		13,559	118,129	14
15		49,199	38	49,161	526,156	15
16					871	16
17					4,852	17
18		733		733	249,381	18
19		48,748	23,714	25,034	821,514	19
20		17,598	34,477	(16,879)	614,696	20
21		264,635	73,912	190,723	2,038,452	21
22					2,775	22
23		221	(897)	1,118	42,764	23
24		55		55	14,347	24
25		41,009	8,832	32,177	711,293	25
26		38,611	30,643	7,968	418,656	26
27		14,765	1,148	13,617	180,835	27
28					15,279	28
29						29
30		1,301,317	442,643	858,674	29,462,791	30
31		355,491	122,090	233,401	5,524,581	31
32		109,698	170,030	(60,332)	3,377,074	32
33						33
34		14,386	152,174	(137,788)	503,732	34
35						35
36		7,619	(20,620)	28,239	208,037	36
37		16,484	8,958	7,526	259,887	37
38		65,922	13,119	52,803	552,324	38
39		569,600	445,751	123,849	10,425,635	39
40						40
41						41
42		42,409	4,954	37,455	965,396	42
43		1,913,326	893,348	1,019,978	40,853,822	43

332. DEPRECIATION BASE AND RATES - ROAD AND EQUIPMENT OWNED AND USED AND LEASED FROM OTHERS

(Dollars in Thousands)

- Show in columns (b) and (e), for each primary account, the depreciation base used to compute the depreciation charges for the month of January, and in columns (c) and (f) show the depreciation base used to compute the depreciation charges for the month of December, in columns (d) and (g) show the composite rates used in computing the depreciation charges for the month of December, and on lines 30 and 39 of these columns show the composite percentage for all road and equipment accounts, respectively, ascertained by applying the primary account composite rates to the depreciation base used in computing the charges for December and dividing the total so computed by the total depreciation base for the same month. The depreciation base should not include the cost of equipment used, but not owned, when the rents therefore are included in the rent for equipment and Account Nos. 31-22-00, 31-23-00, 31-25-00, 31-21-00, 35-21-00, 35-23-00, 35-22-00, and 35-25-00. It should include the cost of equipment owned and leased to others when the rents therefrom are included in the rent for equipment Accounts Nos. 32-21-00, 32-22-00, 32-23-00, 32-25-00, 36-21-00, 36-22-00, and 36-25-00, inclusive. The composite rates used should be those prescribed or otherwise authorized by the Commission, except that where the use of component rates has been authorized, the composite rates to be shown for the respective primary accounts should be recomputed from the December charges developed by the use of the authorized rates. If any changes in rates were effective during the year, give full particulars in a footnote.
- All leased properties may be combined and one composite rate computed for each primary account, or a separate schedule may be included for each such property.
- Show in columns (e), (f), and (g) data applicable to Lessor property, when the rent therefore is included in Account Nos. 31-11-00, 31-12-00, 31-13-00, 31-21-00, 31-22-00, and 31-23-00, inclusive.
- If depreciation accruals have been discontinued for any account, the depreciation base should be reported, nevertheless, in support of depreciation reserves. Authority for the discontinuance of accruals should be shown in a footnote indicating the account(s) effected.
- Disclosures in the respective sections of this schedule may be omitted if either total road leased from other or total equipment leased from others represents less than 5% of total road owned or total equipment owned, respectively.

Line No.	Account (a)	OWNED AND USED			LEASED FROM OTHERS			Line No.
		Depreciation base		Annual composite rate (percent) (d)	Depreciation base		Annual composite rate (percent) (g)	
		1/1 At beginning of year (b)	12/1 At close of year (c)		1/1 At beginning of year (e)	12/1 At close of year (f)		
	ROAD							
1	(3) Grading	3,098,683	3,112,208	2.31%			1	
2	(4) Other, right-of-way expenditures	18,452	18,730	1.11%			2	
3	(5) Tunnels and subways	402,352	402,414	1.12%			3	
4	(6) Bridges, trestles, and culverts	2,685,807	2,728,917	1.54%			4	
5	(7) Elevated structures	42,582	42,583	8.16%			5	
6	(8) Ties	4,566,843	4,712,379	4.58%			6	
7	(9) Rail and other track material	5,919,642	6,067,201	2.55%			7	
8	(11) Ballast	2,331,436	2,408,220	2.71%			8	
9	(13) Fences, snow sheds, and signs	6,906	7,438	1.11%			9	
10	(16) Station and office buildings	746,225	807,024	2.54%			10	
11	(17) Roadway buildings	49,620	49,595	2.30%			11	
12	(18) Water stations			0.00%			12	
13	(19) Fuel stations	104,155	117,259	3.26%			13	
14	(20) Shops and enginehouses	468,112	493,787	2.03%	NOT APPLICABLE - 5 % RULE			14
15	(22) Storage warehouses	871	871	2.50%			15	
16	(23) Wharves and docks	4,852	4,852	3.33%			16	
17	(24) Coal and ore wharves	248,647	249,381	3.09%			17	
18	(25) TOFC/COFC terminals	793,868	797,959	3.06%			18	
19	(26) Communications systems	619,422	599,184	3.89%			19	
20	(27) Signals and interlocker	1,763,963	1,914,172	1.82%			20	
21	(29) Power plants	2,771	2,771	3.08%			21	
22	(31) Power-transmissions systems	41,171	42,289	2.27%			22	
23	(35) Miscellaneous structures	13,724	13,778	2.57%			23	
24	(37) Roadway machines	679,117	708,443	5.34%			24	
25	(39) Public improvements-Construction	399,878	401,773	7.47%			25	
26	(44) Shop machinery	167,218	180,709	3.56%			26	
27	(45) Power-plant machinery	15,278	15,278	2.27%			27	
28	All other road accounts			0.00%			28	
29	Amortization (Adjustments)			0.00%			29	
30	TOTAL ROAD	25,191,595	25,899,215	2.92%			30	
	EQUIPMENT							
31	(52) Locomotives	5,291,180	5,518,827	3.69%			31	
32	(53) Freight-train cars	3,437,303	3,389,298	2.52%			32	
33	(54) Passenger-train cars			0.00%			33	
34	(55) Highway revenue equipment	641,518	541,491	5.10%			34	
35	(56) Floating equipment			0.00%			35	
36	(57) Work equipment	179,799	208,528	2.07%			36	
37	(58) Miscellaneous equipment	252,362	259,351	7.63%			37	
38	(59) Computer systems and word processing equipment	499,520	499,242	10.98%			38	
39	TOTAL EQUIPMENT	10,301,682	10,416,737	3.79%			39	
40	GRAND TOTAL	35,493,277	36,315,952	3.17%			40	

335. ACCUMULATED DEPRECIATION - ROAD AND EQUIPMENT OWNED AND USED
(Dollars in Thousands)

1. Disclose the required information in regard to credits and debits to Account No. 735, "Accumulated Depreciation; Road and Equipment Property," during the year relating to owned and used road and equipment. Include entries for depreciation of equipment owned but not used when the resulting rents are included in the "Lease Rentals - Credits - Equipment" accounts and "Other Rents - Credits - Equipment" accounts. Exclude any entries for depreciation of equipment that is used but not owned when the resulting rents are included in "Lease Rental - Debit - Equipment" account and "Other Rents - Debit - Equipment" accounts. (See Schedule 351 for the accumulated depreciation to road and equipment owned and leased to others).
2. If any data are included in columns (d) or (f), explain the entries in detail.
3. A debit balance in columns (b) or (g) for any primary account should be designated "Dr."
4. If there is any inconsistency between the credits to the reserve as shown in column (c) and the charges to operating expenses, a full explanation should be given.
5. Include authorized amortization amounts in column (c) on the lines for the affected accounts.

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO RESERVE During the year		DEBITS TO RESERVE During the year		Balance at close of year (g)	Line No.
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
		ROAD							
1		(3) Grading	861,635	65,046	38	(2)		926,721	1
2		(4) Other, right-of-way expenditures	2,381	202			3	2,580	2
3		(5) Tunnels and subways	60,704	4,371		(1)		65,076	3
4		(6) Bridges, trestles, and culverts	462,528	39,944		1,327	78	501,067	4
5		(7) Elevated structures	40,489	1,547				42,036	5
6		(8) Ties	1,530,703	212,410	1,816	107,547		1,637,382	6
7		(9) Rail and other track material	1,842,072	158,476		110,260	428	1,889,860	7
8		(11) Ballast	487,946	64,935		21,063	16	531,802	8
9		(13) Fences, snow sheds, and signs	4,143	49				4,192	9
10		(16) Station and office buildings	319,542	16,928	594	18,828		318,236	10
11		(17) Roadway buildings	33,056	831	2	26		33,863	11
12		(18) Water stations							12
13		(19) Fuel stations	28,384	3,438	22	(1)		31,845	13
14		(20) Shops and enginehouses	126,436	9,546		31		135,951	14
15		(22) Storage warehouses	986	(4)				982	15
16		(23) Wharves and docks	2,028	111				2,139	16
17		(24) Coal and ore wharves	101,972	8,451				110,423	17
18		(25) TOFC/COFC terminals	224,842	23,454	161	23,552		224,905	18
19		(26) Communications systems	342,292	19,198	663	34,111		328,042	19
20		(27) Signals and interlocker	243,414	33,488		70,253	388	206,261	20
21		(29) Power plants	2,582	20	1	1		2,602	21
22		(31) Power-transmissions systems	17,894	785	1	7		18,673	22
23		(35) Miscellaneous structures	9,987	229	1	(1)		10,218	23
24		(37) Roadway machines	233,186	35,233		7,955		260,464	24
25		(39) Public improvements-Construction	(18,899)	52,677	878	30,074		4,582	25
26		(44) Shop machinery*	65,601	5,129		253		70,477	26
27		(45) Power-plant machinery	11,043	222		1		11,264	27
28		All other road accounts							28
29		Amortization (Adjustments)							29
30		TOTAL ROAD	7,036,947	756,716	4,177	425,284	913	7,371,643	30
		EQUIPMENT							
31	*	(52) Locomotives	2,126,040	179,101		106,787		2,198,354	31
32	*	(53) Freight-train cars	1,421,887	49,913		126,631		1,345,169	32
33	*	(54) Passenger-train cars							33
34	*	(55) Highway revenue equipment	238,490	23,559		136,819		125,230	34
35	*	(56) Floating equipment							35
36	*	(57) Work equipment	92,763	3,052		15,612		80,203	36
37	*	(58) Miscellaneous equipment	90,131	16,330		(17,375)		123,836	37
38		(59) Computer systems and WP Equip.	295,750	44,802		11,648		328,904	38
39	*	Amortization Adjustments							39
40		TOTAL EQUIPMENT	4,265,061	316,757		380,122		4,201,696	40
41		GRAND TOTAL	11,302,008	1,073,473	4,177	805,406	913	11,573,339	41

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

NOTES AND REMARKS

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

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

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO RESERVE During the year		DEBITS TO RESERVE During the year		Balance at close of year (g)	Line No.	
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)			
		ROAD								
1		(3) Grading							1	
2		(4) Other, right-of-way expenditures							2	
3		(5) Tunnels and subways							3	
4		(6) Bridges, trestles, and culverts							4	
5		(7) Elevated structures							5	
6		(8) Ties							6	
7		(9) Rail and other track material							7	
8		(11) Ballast							8	
9		(13) Fences, snow sheds, and signs							9	
10		(16) Station and office buildings							10	
11		(17) Roadway buildings							11	
12		(18) Water stations							12	
13		(19) Fuel stations		NOT APPLICABLE - 5 % RULE						13
14		(20) Shops and enginehouses							14	
15		(22) Storage warehouses							15	
16		(23) Wharves and docks							16	
17		(24) Coal and ore wharves							17	
18		(25) TOFC/COFC terminals							18	
19		(26) Communications systems							19	
20		(27) Signals and interlocker							20	
21		(29) Power plants							21	
22		(31) Power-transmissions systems							22	
23		(35) Miscellaneous structures							23	
24		(37) Roadway machines							24	
25		(39) Public improvements-Construction							25	
26		(44) Shop machinery*							26	
27		(45) Power-plant machinery							27	
28		All other road accounts							28	
29		TOTAL ROAD							29	
		EQUIPMENT								
30		(52) Locomotives							30	
31		(53) Freight-train cars							31	
32		(54) Passenger-train cars							32	
33		(55) Highway revenue equipment							33	
34		(56) Floating equipment							34	
35		(57) Work equipment							35	
36		(58) Miscellaneous equipment							36	
37		(59) Computer systems and WP equip.							37	
38		TOTAL EQUIPMENT							38	
39		GRAND TOTAL	289,626	21,732	913	12,008	4,177	296,086	39	

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

NOTES AND REMARKS

SCHEDULE 330

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

3 (Grading) from 6 (Bridges, trestles, and culverts)	721,237.52
6 (Bridges, Trestles, and Culverts) to 3 (Grading)	(721,237.52)
9 (Rail & Other Track Material) to 27 (Signals & Interlockers)	(148,613.25)
27 (Signals & Interlockers) from 9 (Rail & Other Track Material)	148,613.25
31 (Power - Transmission Systems) from 44 (Shop Machinery)	938,639.10
44 (Shop Machinery) to 31 (Power - Transmission Systems)	(938,639.10)
53 (Freight-train cars) to 57 (Work equipment)	(22,678,148.71)
57 (Work equipment) from 53 (Freight-train cars)	22,678,148.71

SCHEDULE 332

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

SCHEDULE 335

(Dollars in Thousands)

Column (D) Other Credits

38	Excess Reserve Transferred from Leasehold Improvement Accumulated Reserve	
1,816	Excess Reserve Transferred from Leasehold Improvement Accumulated Reserve	
594	Excess Reserve Transferred from Leasehold Improvement Accumulated Reserve	
2	Excess Reserve Transferred from Leasehold Improvement Accumulated Reserve	
22	Excess Reserve Transferred from Leasehold Improvement Accumulated Reserve	
161	Excess Reserve Transferred from Leasehold Improvement Accumulated Reserve	
663	Excess Reserve Transferred from Leasehold Improvement Accumulated Reserve	
1	Excess Reserve Transferred from Leasehold Improvement Accumulated Reserve	
1	Excess Reserve Transferred from Leasehold Improvement Accumulated Reserve	
1	Excess Reserve Transferred from Leasehold Improvement Accumulated Reserve	
878	Excess Reserve Transferred from Leasehold Improvement Accumulated Reserve	
<u>4,177</u>	Total Other Credits	

Column (F) Other Debits

3	Excess Reserve Transferred to Leasehold Improvement Accumulated Reserve	
78	Excess Reserve Transferred to Leasehold Improvement Accumulated Reserve	
428	Excess Reserve Transferred to Leasehold Improvement Accumulated Reserve	
16	Excess Reserve Transferred to Leasehold Improvement Accumulated Reserve	
388	Excess Reserve Transferred to Leasehold Improvement Accumulated Reserve	
<u>913</u>	Total Other Debits	

SCHEDULE 342

(Dollars in Thousands)

Column (D) Other Credits

<u>913</u>	Transfer Between Subaccounts	
<u>913</u>		

Column (F) Other Debits

<u>4,177</u>	Transfer Between Subaccounts	
<u>4,177</u>		

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

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

Line No.	Class (See Ins. 2) (a)	Name of company (b)	Miles of road used (See Ins. 4) (whole number) (c)	Investments in property (See Ins. 5) (d)	Depreciation & amortization of defense projects (See Ins. 6) (e)	Line No.
1	R	Norfolk Southern Combined Railroad Subsidiaries	16,440	40,853,822	11,869,425	1
2						2
3	L	C & EI Railroad Company	2			3
4	L	Cincinnati Southern Railway	335	53,089		4
5	L	Pittsburgh & West Virginia Railroad	121	49,540	33,110	5
6	L	P & WV Subleased to Wheeling & Lake Erie	(121)	(49,540)	(33,110)	6
7		SUB-TOTAL	337	53,089		7
8						8
9		Less Lines Leased to or Operated by Others				9
10	R	Aberdeen Carolina Western	104	13,018	10,805	10
11	R	Aiken Railway Company	19	3,265	1,399	11
12	R	Ann Arbor Railroad Inc.	4	3,857	1,128	12
13	R	Athens Lines LLC	31	13,745	3,984	13
14	R	Autauga Northern Railway	44	17,850	7,412	14
15	R	B&H Rail Corp.	17	8,896	2,607	15
16	R	Buckingham Branch	57	15,020	11,462	16
17	R	Buffalo & Pittsburgh Railroad	36	6,204	2,270	17
18	R	C & NC Railroad	21	8,036	3,615	18
19	R	Carolina Coastal Railway	157	30,137	18,607	19
20	R	CaterParrott Railnet	51	10,501	8,211	20
21	R	Central Railroad Company of Indianapolis	16	5,428	1,522	21
22	R	Charleston, Blue Creek & Sanderson	17	3,547	1,090	22
23	R	Cincinnati East Terminal Railway	16	7,315	3,443	23
24	R	Cleveland Commercial Railroad	25	25,700	3,694	24
25	R	Columbus & Ohio River Railroad	1	799	170	25

352A. INVESTMENT IN RAILROAD PROPERTY USED IN TRANSPORTATION SERVICE (By Company) - Continued						
Line No.	Class (See Ins. 2) (a)	Name of company (b)	Miles of road used (See Ins. 4) (whole number) (c)	Investments in property (See Ins. 5) (d)	Depreciation & amortization of defense projects (See Ins. 6) (e)	Line No.
26	R	Columbus & Chattahoochee Railroad	26	9,787	4,483	26
27	R	Delmarva Central Railroad	162	84,391	15,967	27
28	R	East Chattanooga Belt Railway	4	2,473	812	28
29	R	East Penn Railroad LLC	7	7,824	1,726	29
30	R	Elkhart & Western Railroad	23	7,348	3,210	30
31	R	Georgia Southern Railway	57	17,385	10,208	31
32	R	Grand Elk Railroad LLC	123	61,962	14,827	32
33	R	Hilton & Albany Railroad	55	18,392	6,981	33
34	R	Iowa Interstate	13	14,368	10,851	34
35	R	Jackson & Lansing Railroad	44	18,582	5,554	35
36	R	KNWA (WATCO)	309	239,357	54,541	36
37	R	Lehigh Railway	56	63,055	13,236	37
38	R	Middletown & New Jersey Railroad LLC	36	21,949	4,004	38
39	R	North Carolina & Virginia Railroad	77	12,416	9,511	39
40	R	RSL Railroad LLC	1	1,666	255	40
41	R	R J Corman Co.	16	4,594	1,928	41
42	R	Yadkin Valley Railroad	102	25,047	14,293	42
43						43
44		SUB-TOTAL	1,727	783,914	253,806	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						57
58						58
59						59
60						60
61						61
62						62
63						63
64						64
65						65
66						66
67						67
68						68
69						69
70						70
71						71
72						72
73						73
74						74
75		TOTAL	15,050	40,122,997	11,615,619	75

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352B INVESTMENT IN RAILWAY PROPERTY USED IN TRANSPORTATION SERVICE

(By Property Accounts)

(Dollars in Thousands)

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

Line No.	Cross Check	Account (a)	Respondent (b)	Lessor railroads (c)	Inactive (proprietary companies) (d)	Other leased properties (e)	Line No.
1		(2) Land for transportation purpose	2,148,510	5,493			1
2		(3) Grading	3,127,145	21,826			2
3		(4) Other, right-of-way expenditures	19,268	137			3
4		(5) Tunnels and subways	396,336	5,574			4
5		(6) Bridges, trestles, and culverts	2,664,222	10,687			5
6		(7) Elevated structures	42,583				6
7		(8) Ties	4,768,511	1,174			7
8		(9) Rail and other track material	6,425,724	5,884			8
9		(11) Ballast	2,466,884	2,156			9
10		(13) Fences, snow sheds, and signs	7,652	181			10
11		(16) Station and office buildings	837,540	1,288			11
12		(17) Roadway buildings	49,763	71			12
13		(18) Water stations		24			13
14		(19) Fuel stations	118,129	70			14
15		(20) Shops and enginehouses	526,145	47			15
16		(22) Storage warehouses	871				16
17		(23) Wharves and docks	4,852				17
18		(24) Coal and ore wharves	249,381				18
19		(25) TOFC/COFC terminals	821,514				19
20		(26) Communications systems	612,020	204			20
21		(27) Signals and interlocker	2,029,644	666			21
22		(29) Power plants	2,775				22
23		(31) Power-transmissions systems	42,721				23
24		(35) Miscellaneous structures	14,347	6			24
25		(37) Roadway machines	711,293				25
26		(39) Public improvements-Construction	394,975	1,445			26
27		(44) Shop machinery*	180,793	19			27
28		(45) Power-plant machinery	15,279	8			28
29		Leased property capitalized rentals (explain)					29
30		Other (specify and explain) Accts. 1 & 77		3,658			30
31		TOTAL EXPENDITURES FOR ROAD	28,678,877	60,618			31
32		(52) Locomotives	5,524,581				32
33		(53) Freight-train cars	3,377,074				33
34		(54) Passenger-train cars					34
35		(55) Highway revenue equipment	503,732				35
36		(56) Floating equipment					36
37		(57) Work equipment	208,037				37
38		(58) Miscellaneous equipment	259,887				38
39		(59) Computer systems and word processing equip	552,324				39
40		TOTAL EQUIPMENT	10,425,635				40
41		(76) Interest during construction		2,580			41
42		(80) Other elements of investment		(10,109)			42
43		(90) Construction in progress	965,396				43
44		GRAND TOTAL	40,069,908	53,089			44

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 410

Cross Checks

Schedule 410

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

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

Schedule 414

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

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

Schedule 417

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

= Line 1, column (j)
= Line 2, column (j)
= Line 3, column (j)
= Line 4, column (j)
= Line 5, column (j)
= Line 6, column (j)
= Line 7, column (j)
= Line 8, column (j)
= Line 9, column (j)
= Line 10, column (j)
= Line 11, column (j)

Schedule 450

Line 4, column (b)

= **Schedule 210**
Line 47, column (b)

Schedule 410

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

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

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

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

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

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

Schedule 412

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

Schedule 415

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

Schedule 414

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

Schedule 415

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

Lines 5, 38, column (b)

Lines 24, 39, column (b)

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

410. RAILWAY OPERATING EXPENSES

(Dollars in Thousands)

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

Line No.	Cross Check	Name of railway operating expense account (a)	FREIGHT					Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)			
		WAY AND STRUCTURES:								
		ADMINISTRATION:								
1		Track	804	540	1,883	2,099	5,326		5,326	1
2		Bridge and Building	11	320	3,524	206	4,061		4,061	2
3		Signal	91	210	1,517	1,105	2,923		2,923	3
4		Communication	15	9	132	403	559		559	4
5		Other	1,766				1,766		1,766	5
		TOTAL ADMINISTRATION	2,687	1,079	7,056	3,813	14,635		14,635	
		REPAIR AND MAINTENANCE:								
6		Roadway - Running	13,160	743	29,574		43,477		43,477	6
7		Roadway - Switching	1,070	4	490		1,564		1,564	7
8		Tunnels and Subways - Running			242		242		242	8
9		Tunnels and Subways - Switching			16		16		16	9
10		Bridges and Culverts - Running	16,768	1,150	13,070	2,517	33,505		33,505	10
11		Bridges and Culverts - Switching	637	93	996	77	1,803		1,803	11
12		Ties - Running	10,538	3,778	3,594	1,353	19,263		19,263	12
13		Ties - Switching	102	258			360		360	13
14		Rail and Other Track Material - Running	67,655	16,754	37,693	11,324	133,426		133,426	14
15		Rail and Other Track Material - Switching	3,006	1,205	1,608	278	6,097		6,097	15
16		Ballast - Running	3,592	742	462	74	4,870		4,870	16
17		Ballast - Switching	198	31	28		257		257	17
18		Road Property Damaged - Running	4,178	3,330	3,913	6	11,427		11,427	18
19		Road Property Damaged - Switching								19
20		Road Property Damaged - Other	3	3	8		14		14	20
21		Signals and Interlockers - Running	34,966	8,778	7,010	1,002	51,756		51,756	21
22		Signals and Interlockers - Switching	5,157	88	11	19	5,275		5,275	22
23		Communications Systems	1,211	1,959	8,938	9	12,117		12,117	23
24		Power Systems	1,007	192			1,199		1,199	24
25		Highway Grade Crossings- Running	551	585	7,311	2,217	10,664		10,664	25
26		Highway Grade Crossings- Switching		163	215		378		378	26
27		Station and Office Buildings	1,520	921	12,076	20	14,537		14,537	27
28		Shop Buildings - Locomotives	2,789	1,474	2,102	8,660	15,025		15,025	28
29		Shop Buildings - Freight Cars	266	324	1,924		2,514	N/A	2,514	29
30		Shop Buildings - Other Equipment	25	33			58		58	30

410. RAILWAY OPERATING EXPENSES - Continued

(Dollars in Thousands)

42

Line No.	Cross Check	Name of railway operating expense account (a)	FREIGHT					Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)			
101		REPAIR AND MAINTENANCE - Continued: Locomotive Servicing Facilities	8				8		8	101
102		Miscellaneous Buildings and Structures	664	670	2,206		3,540		3,540	102
103		Coal Terminals	1,876	1,618	1,737	2	5,233	N/A	5,233	103
104		Ore Terminals						N/A		104
105		Other Marine Terminals						N/A		105
106		TOFC/COFC Terminals	78	2,654	15,467		18,199	N/A	18,199	106
107		Motor Vehicle Loading and Distribution Facilities			366		366	N/A	366	107
108		Facilities for Other Specialized Service Operations		663	1,666	60	2,389	N/A	2,389	108
109		Roadway Machines	10,051	17,056	1,215	749	29,071		29,071	109
110		Small Tools and Supplies		13,720	2,801		16,521		16,521	110
111		Snow Removal	3,533	59	4,456		8,048		8,048	111
112		Fringe Benefits - Running				81,766	81,766		81,766	112
113		Fringe Benefits - Switching				4,596	4,596		4,596	113
114		Fringe Benefits - Other				12,018	12,018		12,018	114
115		Casualties and Insurance - Running				33,177	33,177		33,177	115
116		Casualties and Insurance - Switching				2,796	2,796		2,796	116
117		Casualties and Insurance - Other				6,208	6,208		6,208	117
118	*	Lease Rentals - Debit- Running			40,356		40,356		40,356	118
119	*	Lease Rentals - Debit - Switching			149,222		149,222		149,222	119
120	*	Lease Rentals - Debit - Other			13,308		13,308		13,308	120
121	*	Lease Rentals - (Credit) - Running			(9,915)		(9,915)		(9,915)	121
122	*	Lease Rentals - (Credit) - Switching								122
123	*	Lease Rentals - (Credit) - Other								123
124		Joint Facility Rent - Debit - Running			6,024		6,024		6,024	124
125		Joint Facility Rent - Debit - Switching			1,354		1,354		1,354	125
126		Joint Facility Rent - Debit - Other			96		96		96	126
127	*	Joint Facility Rent - (Credit) - Running			(7,495)		(7,495)		(7,495)	127
128	*	Joint Facility Rent - (Credit) - Switching			(79)		(79)		(79)	128
129	*	Joint Facility Rent - (Credit) - Other			(3)		(3)		(3)	129
130	*	Other Rents - Debit -Running			5,344		5,344		5,344	130
131	*	Other Rents - Debit -Switching								131
132	*	Other Rents - Debit -Other			2,696		2,696		2,696	132
133	*	Other Rents - (Credit) -Running								133
134	*	Other Rents - (Credit) -Switching								134
135	*	Other Rents - (Credit) -Other			(1,690)		(1,690)		(1,690)	135

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

Line No.	Cross Check	Name of railway operating expense account (a)						Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)			
		REPAIR AND MAINTENANCE - Continued:								
136	*	Depreciation - Running				394,792	394,792		394,792	136
137	*	Depreciation - Switching				56,643	56,643		56,643	137
138	*	Depreciation - Other				308,844	308,844		308,844	138
139		Joint Facility - Debit - Running			46,245		46,245		46,245	139
140		Joint Facility - Debit - Switching			7,792		7,792		7,792	140
141		Joint Facility - Debit - Other			378		378		378	141
142		Joint Facility - (Credit) - Running			(25,626)		(25,626)		(25,626)	142
143		Joint Facility - (Credit) - Switching			(296)		(296)		(296)	143
144		Joint Facility - (Credit) - Other			(282)		(282)		(282)	144
145		Dismantling Retired Road Property - Running								145
146		Dismantling Retired Road Property - Switching								146
147		Dismantling Retired Road Property - Other								147
148		Other - Running	1,623			4,555	6,178		6,178	148
149		Other - Switching			7		7		7	149
150		Other - Other								150
		TOTAL REPAIR AND MAINTENANCE	186,232	79,048	388,631	933,762	1,587,673		1,587,673	
151		TOTAL WAY AND STRUCTURES	188,919	80,127	395,687	937,575	1,602,308		1,602,308	151
		EQUIPMENT:								
		LOCOMOTIVES:								
201		Administration	8,620	617	2,817	875	12,929		12,929	201
202	*	Repair and Maintenance	111,825	182,715	25,437	95	320,072		320,072	202
203	*	Machinery Repair	4,388	1,734	1,088	10	7,220		7,220	203
204		Equipment Damaged	103	94			197		197	204
205		Fringe Benefits				55,374	55,374		55,374	205
206		Other Casualties and Insurance				9,475	9,475		9,475	206
207	*	Lease Rentals - Debit			782		782		782	207
208	*	Lease Rentals - (Credit)			(9,406)		(9,406)		(9,406)	208
209		Joint Facility Rent - Debit								209
210	*	Joint Facility Rent - (Credit)								210
211	*	Other Rents - Debit			297		297		297	211
212	*	Other Rents - (Credit)								212
213	*	Depreciation				180,537	180,537		180,537	213
214		Joint Facility - Debit								214
215		Joint Facility - (Credit)								215
216	*	Repairs Billed to Others - (Credit)			(2,986)		(2,986)		(2,986)	216
217		Dismantling Retired Property								217

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

Line No.	Cross Check	Name of railway operating expense account (a)	FREIGHT					Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)			
218		LOCOMOTIVES - Continued: Other	8,703	23		1	8,727		8,727	218
219		TOTAL LOCOMOTIVES	133,639	185,183	18,029	246,367	583,218		583,218	219
220		FREIGHT CARS: Administration	3,591	500	2,673	637	7,401	N/A	7,401	220
221	*	Repair and Maintenance	41,273	63,377	76,925	36	181,611	N/A	181,611	221
222	*	Machinery Repair	641	328	4,853		5,822	N/A	5,822	222
223		Equipment Damaged	3,618	4,565			8,183	N/A	8,183	223
224		Fringe Benefits				25,983	25,983	N/A	25,983	224
225		Other Casualties and Insurance				9,696	9,696	N/A	9,696	225
226	*	Lease Rentals - Debit			35,263		35,263	N/A	35,263	226
227	*	Lease Rentals - (Credit)			(12,561)		(12,561)	N/A	(12,561)	227
228		Joint Facility Rent - Debit						N/A		228
229	*	Joint Facility Rent - (Credit)						N/A		229
230	*	Other Rents - Debit			494,636		494,636	N/A	494,636	230
231	*	Other Rents - (Credit)			(201,888)		(201,888)	N/A	(201,888)	231
232	*	Depreciation				51,680	51,680	N/A	51,680	232
233		Joint Facility - Debit						N/A		233
234		Joint Facility - (Credit)						N/A		234
235	*	Repairs Billed to Others - (Credit)			(70,552)		(70,552)	N/A	(70,552)	235
236		Dismantling Retired Property						N/A		236
237		Other	5,997	23,282		51	29,330	N/A	29,330	237
238		TOTAL FREIGHT CARS	55,120	92,052	329,349	88,083	564,604	N/A	564,604	238
301		OTHER EQUIPMENT: Administration		130		189	319		319	301
302	*	Repair and Maintenance: Trucks, Trailers and Containers - Revenue Service		9,834	53,314	274	63,422	N/A	63,422	302
303	*	Floating Equipment - Revenue Service						N/A		303
304	*	Passenger and Other Revenue Equipment								304
305	*	Computer Systems and Word Processing Equipment		1,199	83,835	62	85,096		85,096	305
306	*	Machinery	116	104	61		281		281	306
307	*	Work and Other Non-Revenue Equipment	1,885	1,763	13,250	26	16,924		16,924	307
308		Machinery								308
309		Fringe Benefits				1,424	1,424		1,424	309
310		Other Casualties and Insurance				4,102	4,102		4,102	310
311	*	Lease Rentals - Debit			785		785		785	311

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

Line No.	Cross Check	Name of railway operating expense account (a)	FREIGHT					Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)			
312	*	OTHER EQUIPMENT - Continued: Lease Rentals - (Credit)								312
313		Joint Facility Rent - Debit			138		138		138	313
314	*	Joint Facility Rent - (Credit)			(7)		(7)		(7)	314
315	*	Other Rents - Debit			28,871		28,871		28,871	315
316	*	Other Rents - (Credit)			(30,071)		(30,071)		(30,071)	316
317	*	Depreciation				89,695	89,695		89,695	317
318		Joint Facility - Debit			24		24		24	318
319		Joint Facility - (Credit)								319
320	*	Repairs Billed to Others - (Credit)			(9,133)		(9,133)		(9,133)	320
321		Dismantling Retired Property								321
322		Other								322
323		TOTAL OTHER EQUIPMENT	2,001	13,030	141,067	95,772	251,870		251,870	323
324		TOTAL EQUIPMENT	190,760	290,265	488,445	430,222	1,399,692		1,399,692	324
401		TRANSPORTATION: TRAIN OPERATIONS: Administration	6,547	3,197	989	3,159	13,892		13,892	401
402		Engine Crews	374,727	341	23,329	18,788	417,185		417,185	402
403		Train Crews	282,721	1,470	19,755	16,248	320,194		320,194	403
404		Dispatching Trains	42,974	18		34	43,026		43,026	404
405		Operating Signals and Interlockers	41,677	48	2	528	42,255		42,255	405
406		Operating Drawbridges	1,825				1,825		1,825	406
407		Highway Crossing Protection	18	92	4,427	97	4,634		4,634	407
408		Train Inspection and Lubrication	49,838	31			49,869		49,869	408
409	*	Locomotive Fuel		617,998			617,998		617,998	409
410		Electric Power Purchased or Produced for Motive Power								410
411		Servicing Locomotives	29,819	4,682	11,873	16	46,390		46,390	411
412		Freight Lost or Damaged - Solely Related								412
413		Clearing Wrecks	191	8	9,532		9,731		9,731	413
414		Fringe Benefits				353,703	353,703		353,703	414
415		Other Casualties and Insurance				36,515	36,515		36,515	415
416		Joint Facility - Debit			944		944		944	416
417		Joint Facility - (Credit)			(86)		(86)		(86)	417
418		Other	556	5	73,391	21	73,973		73,973	418
419		TOTAL TRAIN OPERATIONS	830,893	627,890	144,156	429,109	2,032,048		2,032,048	419

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

Line No.	Cross Check	Name of railway operating expense account (a)	FREIGHT					Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)			
YARD OPERATIONS:										
420		Administration	224	352	883	658	2,117		2,117	420
421		Switch Crews	182,854	904	27,569	478	211,805		211,805	421
422		Controlling Operations	33,907	154	109	28	34,198		34,198	422
423		Yard and Terminal Clerical	2,521	4,342	2,750	297	9,910		9,910	423
424		Operating Switches, Signals, Retarders and Humps		537	9		546		546	424
425	*	Locomotive Fuel		40,775			40,775		40,775	425
426		Electric Power Purchased or Produced for Motive Power								426
427		Servicing Locomotives	295			1	296		296	427
428		Freight Lost or Damaged - Soley Related								428
429		Clearing Wrecks	63				63		63	429
430		Fringe Benefits				98,073	98,073		98,073	430
431		Other Casualties and Insurance				6,820	6,820		6,820	431
432		Joint Facility - Debit			8,439		8,439		8,439	432
433		Joint Facility - (Credit)			(757)		(757)		(757)	433
434		Other			7		7		7	434
435		TOTAL YARD OPERATIONS	219,864	47,064	39,009	106,355	412,292		412,292	435
TRAIN AND YARD OPERATIONS COMMON:										
501		Cleaning Car Interiors	640	1	3,906		4,547		4,547	501
502		Adjusting and Transferring Loads	24	1	582		607	N/A	607	502
503		Car Loading Devices and Grain Doors	1				1	N/A	1	503
504		Freight Lost or Damaged - All Other				24,252	24,252		24,252	504
505		Fringe Benefits				308	308		308	505
506		TOTAL TRAIN AND YARD OPERATIONS COMMON	665	2	4,488	24,560	29,715		29,715	506
SPECIALIZED SERVICES OPERATIONS:										
507	*	Administration	11,332	539	12,031	670	24,572	N/A	24,572	507
508	*	Pickup and Delivery and Marine Line Haul	4,629	5,554	76,937	245	87,365	N/A	87,365	508
509	*	Loading and Unloading and Local Marine	6,668	2,543	276,162	1	285,374	N/A	285,374	509
510	*	Protective Services		647	209		856	N/A	856	510
511	*	Freight Lost or Damaged - Solely Related						N/A		511
512	*	Fringe Benefits				16,679	16,679	N/A	16,679	512
513	*	Casualties and Insurance				6,301	6,301	N/A	6,301	513
514	*	Joint Facility - Debit			1		1	N/A	1	514
515	*	Joint Facility - (Credit)						N/A		515
516	*	Other						N/A		516
517	*	TOTAL SPECIALIZED SERVICES OPERATIONS	22,629	9,283	365,340	23,896	421,148	N/A	421,148	517

410. RAILWAY OPERATING EXPENSES - Continued

(Dollars in Thousands)

Line No.	Cross Check	Name of railway operating expense account (a)	FREIGHT					Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)			
		ADMINISTRATIVE SUPPORT OPERATIONS:								
518		Administration		106	1,727	622	2,455		2,455	518
519		Employees Performing Clerical and Accounting Functions	17,882	509	1,961	618	20,970		20,970	519
520		Communications Systems Operation	748			10	758		758	520
521		Loss and Damage Claims Processing		16	2,035	2	2,053		2,053	521
522		Fringe Benefits				8,849	8,849		8,849	522
523		Casualties and Insurance				729	729		729	523
524		Joint Facility - Debit								524
525		Joint Facility - (Credit)								525
526		Other								526
527		TOTAL ADMINISTRATIVE SUPPORT OPERATIONS	18,630	631	5,723	10,830	35,814		35,814	527
528		TOTAL TRANSPORTATION	1,092,681	684,870	558,716	594,750	2,931,017		2,931,017	528
		GENERAL AND ADMINISTRATIVE:								
601		Officers - General Administration	50	1,034	389	1,924	3,397		3,397	601
602		Accounting, Auditing and Finance	3,533	40	6,181	568	10,322		10,322	602
603		Management Services and Data Processing	602	165	68,854	109	69,730		69,730	603
604		Marketing	224	60	10,552	2,590	13,426		13,426	604
605		Sales		36	63	107	206		206	605
606		Industrial Development	61	63	97	234	455	N/A	455	606
607		Personnel and Labor Relations	113	356	9,701	4,544	14,714		14,714	607
608		Legal and Secretarial		250	37,784	2,204	40,238		40,238	608
609		Public Relations and Advertising		217	6,553	1,038	7,808		7,808	609
610		Research and Development								610
611		Fringe Benefits				2,959	2,959		2,959	611
612		Casualties and Insurance				5,608	5,608		5,608	612
613		Writedown of Uncollectible Accounts				6,029	6,029		6,029	613
614		Property Taxes				142,670	142,670		142,670	614
615		Other Taxes Except on Corporate Income or Payrolls				29,676	29,676		29,676	615
616		Joint Facility - Debit								616
617		Joint Facility - (Credit)								617
618		Other	2,491	1,284	680,169	165,639	849,583		849,583	618
619		TOTAL GENERAL AND ADMINISTRATIVE	7,074	3,505	820,343	365,899	1,196,821		1,196,821	619
620	*	TOTAL CARRIER OPERATING EXPENSES	1,479,434	1,058,767	2,263,191	2,328,446	7,129,838		7,129,838	620

412. WAY AND STRUCTURES

(Dollars in Thousands)

1. Report freight expenses only.
2. The total depreciation expense reported in column (b), line 29, should balance to the sum of the depreciation expense reported in Schedule 410, column (f), lines 136, 137, and 138.
3. Report in column (c) the lease/rentals for the various property categories of Way and Structures. The total net lease/rental reported in column (c), line 29, should balance to the net amount reported in Schedule 410, column (f), lines 118 through 123, plus lines 130 through 135. If an entire road or segment of track is leased and if the actual breakdown of lease/rentals by property categories is not known, apportion the lease/rentals based on the percentage of the categories' depreciation bases to the depreciation bases for all categories of depreciable leased property. Use Schedule 352B of this report for obtaining the depreciation bases of the categories of leased property.
4. Amortization adjustment of each road property type which is included in column (b) shall be repeated in column (d) as a debit or credit to the appropriate line item.
5. Report on line 28 all other lease rentals not apportioned to any category listed on lines 1-27.
6. Line 11, Account 16, should not include computer and data processing equipment reported on line 37 of Schedule 415.

Line No.	Cross Check	Property Account	Category (a)	Depreciation (b)	Lease/Rentals (net) (c)	Amortization adjustment during year (d)	Line No.
1		2	Land for transportation purpose	N/A	N/A		1
2		3	Grading	65,921	17,282	(6,920)	2
3		4	Other, right-of-way expenditures	208	55	(5)	3
4		5	Tunnels and subways	4,379	1,148	(115)	4
5		6	Bridges, trestles, and culverts	40,760	10,686	(1,888)	5
6		7	Elevated structures	1,547	406	135	6
7		8	Ties	217,431	57,003	(179)	7
8		9	Rail and other track material	166,940	43,766	5,498	8
9		11	Ballast	67,194	17,616	847	9
10		13	Fences, snow sheds, and signs	50	13	(31)	10
11		16	Station and office buildings	17,801	4,667	(2,628)	11
12		17	Roadway buildings	833	218	(310)	12
13		18	Water stations				13
14		19	Fuel stations	3,449	904	(59)	14
15		20	Shops and enginehouses	9,607	2,519	(150)	15
16		22	Storage warehouses	(4)	(1)	(26)	16
17		23	Wharves and docks	111	29	(50)	17
18		24	Coal and ore wharves	8,451	2,216	772	18
19		25	TOFC/COFC terminals	23,487	6,158	(759)	19
20		26	Communications systems	19,640	5,149	(4,503)	20
21		27	Signals and interlocker	35,985	9,434	122	21
22		29	Power plants	20	5	(65)	22
23		31	Power-transmissions systems	792	208	(162)	23
24		35	Miscellaneous structures	248	65	(122)	24
25		37	Roadway machines	22,219	5,825	(2,209)	25
26		39	Public improvements-Construction	52,988	13,892	24,039	26
27		45	Power plant machines	222	58	(125)	27
28			Other lease/rentals				28
29	*		Total	760,279	199,321	11,107	29

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

(Dollars in Thousands)

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

Line No.	Cross Check	Type of Equipment (a)	GROSS AMOUNTS RECEIVABLE Per diem basis			GROSS AMOUNTS PAYABLE Per diem basis			Line No.
			Private line cars (b)	Mileage (c)	Time (d)	Private line cars (e)	Mileage (f)	Time (g)	
CAR TYPES									
1		Box-Plain 40 Foot						1	
2		Box-Plain 50 Foot and Longer		125	671	20,157	1,522	4,353	2
3		Box-Equipped		7,975	26,860	114	10,802	42,320	3
4		Gondola-Plain		973	6,280	871	596	2,074	4
5		Gondola-Equipped		3,119	10,554	21	2,262	7,977	5
6		Hopper-Covered		1,197	7,393	7,197	3,300	11,567	6
7		Hopper-Open Top-General Service		378	3,523	1	176	536	7
8		Hopper-Open Top-Special Service		124	1,121	1	79	464	8
9		Refrigerator-Mechanical				7	685	2,649	9
10		Refrigerator-Non-Mechanical				3	658	1,298	10
11		Flat-TOFC/COFC			11,898	111,509	8,129	29,639	11
12		Flat-Multi-Level		224	49,549	79,340	3,578	38,054	12
13		Flat-General Service		10	38	141	45	67	13
14		Flat-Other		331	1,809	14,254	2,466	9,128	14
15		Tank-Under 22,000 Gallons				2,553			15
16		Tank-22,000 Gallons and Over				7,235			16
17		All Other Freight Cars			5,497		22	81	17
18		Auto Racks			62,239			66,705	18
19		TOTAL FREIGHT TRAIN CARS		14,456	187,432	243,404	34,320	216,912	19
OTHER FREIGHT CARRYING EQUIPMENT									
20		Refrigerated Trailers							20
21		Other Trailers							21
22		Refrigerated Containers							22
23		Other Containers			30,071	2,610		26,101	23
24	*	TOTAL TRAILERS AND CONTAINERS			30,071	2,610		26,101	24
25		GRAND TOTAL (LINES 19 AND 24)		14,456	217,503	246,014	34,320	243,013	25

NOTES AND REMARKS

Empty rectangular area for notes and remarks.

GENERAL INSTRUCTIONS CONCERNING RETURNS TO BE MADE TO SCHEDULE 415

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

Note: Lines 216, 235, and 320 of Schedule 410 are credit amounts.

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

415. SUPPORTING SCHEDULE - EQUIPMENT

(Dollars in Thousands)

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

Line No.	Cross Check	Types of equipment (a)	Repairs (net expense) (b)	Depreciation		Amortization Adjustment net during year (e)	Line No.
				Owned (c)	Capitalized lease (d)		
		LOCOMOTIVES					
1		Diesel Locomotive - Yard	21,138	7,028		(840)	1
2		Diesel Locomotive - Road	295,948	171,935		(17,621)	2
3		Other Locomotive - Yard		138			3
4		Other Locomotive - Road					4
5	*	TOTAL	317,086	179,101		(18,461)	5
		FREIGHT TRAIN CARS					
6		Box - Plain 40 Foot					6
7		Box - Plain 50 Foot and Longer	983	(6)		(38)	7
8		Box - Equipped	28,732	2,123		(5,961)	8
9		Gondola - Plain	12,277	13,743		(6,159)	9
10		Gondola - Equipped	13,301	5,159		(2,771)	10
11		Hopper - Covered	20,562	5,541		(2,163)	11
12		Hopper - Open Top - General Service	5,727	1,706		(9,600)	12
13		Hopper - Open Top - Special Service	4,197	2,920		(1,783)	13
14		Refrigerator - Mechanical	289				14
15		Refrigerator - Nonmechanical	87				15
16		Flat TOFC/COFC	3,985	(86)		(108)	16
17		Flat Multi - level	3,697	642		(282)	17
18		Flat - General Service	10	(13)		(18)	18
19		Flat - Other	4,376	487		(696)	19
20		All Other Freight Cars	10,608	1,078		(488)	20
21		Cabooses	54	54		(111)	21
22		Auto Racks	2,174	16,548		(4,766)	22
23		Miscellaneous Accessories		17		(575)	23
24	*	TOTAL FREIGHT TRAIN CARS	111,059	49,913		(35,519)	24
		OTHER EQUIPMENT - REVENUE					
25		FREIGHT HIGHWAY EQUIPMENT					
		Refrigerated Trailers					25
26		Other Trailers	1,296	(14)		(1,189)	26
27		Refrigerated Containers					27
28		Other Containers	6,497	11,142			28
29		Bogies					29
30		Chassis	46,496	12,431			30
31		Other Highway Equipment (Freight)					31
32	*	TOTAL HIGHWAY EQUIPMENT	54,289	23,559		(1,189)	32
		FLOATING EQUIPMENT - REVENUE SERVICE					
33		Marine Line - Haul					33
34		Local Marine					34
35	*	TOTAL FLOATING EQUIPMENT					35
		OTHER EQUIPMENT					
36	*	Passenger & Other Revenue Equipment (Freight Portion)					36
37	*	Computer systems & word processing equip.	85,096	44,802		(9,868)	37
38	*	Machinery - Locomotives (see notes 1, 4, 5)	7,220	1,436		(321)	38
39	*	Machinery - Freight Cars (see notes 2, 4, 5)	5,822	1,741		(389)	39
40	*	Machinery - Other Equipment (see notes 3, 4, 5)	281	1,952		(436)	40
41	*	Work & Other Non - revenue Equipment	16,924	19,382		(4,044)	41
42		TOTAL OTHER EQUIPMENT	115,343	69,313		(15,058)	42
43		TOTAL ALL EQUIPMENT (FREIGHT PORTION)	597,777	321,886		(70,227)	43

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

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

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

415. SUPPORTING SCHEDULE - EQUIPMENT

(Dollars in Thousands)

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

Line No.	Cross Check	Lease and rentals (net) (f)	Investment base as of 12/31		Accumulated depreciation as of 12/31		Line No.
			Owned (g)	Capitalized lease (h)	Owned (i)	Capitalized lease (j)	
1			142,802		50,568		1
2		(8,624)	5,378,838		2,147,258		2
3			2,941		528		3
4							4
5		(8,624)	5,524,581		2,198,354		5
6							6
7			1,114		797		7
8		8,595	362,617		234,229		8
9		1,494	802,739		219,288		9
10		11,248	521,866		193,129		10
11		1,800	426,423		187,205		11
12			468,459		136,124		12
13			199,186		91,782		13
14							14
15							15
16		(5,390)	713		794		16
17		2,523	25,353		13,858		17
18		1,300	179		251		18
19			58,140		29,648		19
20		20	19,679		15,675		20
21			4,771		3,315		21
22		287	480,283		217,711		22
23			5,449		1,363		23
24		21,877	3,376,971		1,345,169		24
25							25
26		2,928	37,676		34,353		26
27							27
28		(2,273)	183,129		33,847		28
29							29
30			282,927		57,030		30
31							31
32		655	503,732		125,230		32
33							33
34							34
35							35
36							36
37			552,324		328,904		37
38		297	50,630		19,732		38
39			61,383		23,923		39
40			68,822		26,822		40
41		290	467,924		204,039		41
42		587	1,201,083		603,420		42
43		14,495	10,606,367		4,272,173		43

Note 4 Data reported on lines 38, 39 and 40 in columns (g) and (h) are the investment recorded in property account 44, allocated to locomotives, freight cars and other equipment.

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

415. SUPPORTING SCHEDULE - IMPROVEMENTS TO EQUIPMENT LEASED FROM OTHERS

(Dollars in Thousands)

****SUPPLEMENT****

Line No.	Cross Check	Types of equipment (a)	Repairs (net expense) (b)	Depreciation		Amortization Adjustment net during year (e)	Line No.
				Owned** (c)	Capitalized lease (d)		
		LOCOMOTIVES					
1		Diesel Locomotive - Yard					1
2		Diesel Locomotive - Road					2
3		Other Locomotive - Yard					3
4		Other Locomotive - Road					4
5	*	TOTAL					5
		FREIGHT TRAIN CARS					
6		Box - Plain 40 Foot					6
7		Box - Plain 50 Foot and Longer					7
8		Box - Equipped					8
9		Gondola - Plain					9
10		Gondola - Equipped					10
11		Hopper - Covered					11
12		Hopper - Open Top - General Service					12
13		Hopper - Open Top - Special Service					13
14		Refrigerator - Mechanical					14
15		Refrigerator - Nonmechanical					15
16		Flat TOFC/COFC					16
17		Flat Multi - level					17
18		Flat - General Service					18
19		Flat - Other					19
20		All Other Freight Cars					20
21		Cabooses					21
22		Auto Racks		26			22
23		Miscellaneous Accessories					23
24	*	TOTAL FREIGHT TRAIN CARS		26			24
		OTHER EQUIPMENT - REVENUE FREIGHT HIGHWAY EQUIPMENT					
25		Refrigerated Trailers					25
26		Other Trailers					26
27		Refrigerated Containers					27
28		Other Containers					28
29		Bogies					29
30		Chassis					30
31		Other Highway Equipment (Freight)					31
32	*	TOTAL HIGHWAY EQUIPMENT					32
		FLOATING EQUIPMENT - REVENUE SERVICE					
33		Marine Line - Haul					33
34		Local Marine					34
35	*	TOTAL FLOATING EQUIPMENT					35
		OTHER EQUIPMENT					
36	*	Passenger & Other Revenue Equipment (Freight Portion)					36
37	*	Computer systems & word processing equip.					37
38	*	Machinery - Locomotives (see notes 1, 4, 5)					38
39	*	Machinery - Freight Cars (see notes 2, 4, 5)					39
40	*	Machinery - Other Equipment (see notes 3, 4, 5)					40
41	*	Work & Other Non - revenue Equipment					41
42		TOTAL OTHER EQUIPMENT					42
43		TOTAL ALL EQUIPMENT (FREIGHT PORTION)		26			43

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

415. SUPPORTING SCHEDULE - IMPROVEMENTS TO EQUIPMENT LEASED FROM OTHERS

(Dollars in Thousands)

****SUPPLEMENT****

Line No.	Cross Check	Lease and rentals (net) (f)	Investment base as of 12/31		Accumulated depreciation as of 12/31		Line No.
			Owned** (g)	Capitalized lease (h)	Owned** (i)	Capitalized lease (j)	
1							1
2							2
3							3
4							4
5							5
6							6
7							7
8							8
9							9
10							10
11							11
12							12
13							13
14							14
15							15
16							16
17							17
18							18
19							19
20							20
21							21
22		825	103		101		22
23							23
24		825	103		101		24
25							25
26							26
27							27
28							28
29							29
30							30
31							31
32							32
33							33
34							34
35							35
36							36
37							37
38							38
39							39
40							40
41							41
42							42
43		825	103		101		43

Note 4 Data reported on lines 38, 39 and 40 in columns (g) and (h) are the investment recorded in property account 44, allocated to locomotives, freight cars and other equipment.

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

417. SPECIALIZED SERVICE SUBSCHEDULE - TRANSPORTATION
(Dollars in Thousands)

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

Line No.	Cross Check	Items (a)	TOFC/COFC terminal (b)	Floating equipment (c)	Coal marine terminal (d)	Ore marine terminal (e)	Other marine terminal (f)	Motor vehicle load and distribution (g)	Protective services refrigerator car (h)	Other special services (i)	Total columns (b-i) (j)	Line No.
1		Administration	23,677		88			800		7	24,572	1
2		Pick up and delivery, marine line haul	68,324		4,764			2,703		11,574	87,365	2
3		Loading and unloading and local marine	221,504		7,142			54,908		1,820	285,374	3
4		Protective services, total debit and credits							856		856	4
5	*	Freight lost or damaged—solely related										5
6		Fringe benefits	13,343		3,336						16,679	6
7		Casualty and insurance	6,301								6,301	7
8		Joint facility — Debit	1								1	8
9		Joint facility — Credit										9
10	*	Other										10
11		TOTAL	333,150		15,330			58,411	856	13,401	421,148	11

450. ANALYSIS OF TAXES

(Dollars in Thousands)

A. Railway Taxes

Line No.	Cross Check	Kind of tax	Amount	Line No.
1		Other than U.S. Government Taxes	253,932	1
		U. S. Government Taxes		
		Income Taxes		
2		Normal Tax and Surtax	683,269	2
3		Excess Profits		3
4	*	Total - Income Taxes L 2 + 3	683,269	4
5		Railroad Retirement	379,828	5
6		Hospital Insurance	30,831	6
7		Supplemental Annuities		7
8		Unemployment Insurance	18,328	8
9		All Other United States Taxes		9
10		Total - U. S. Government Taxes	1,112,256	10
11		Total - Railway Taxes	1,366,188	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 the year total 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 a 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.					1
2	Accelerated Amortization of Facilities, Sec. 168 I.R.C.					2
3	Accelerated Amortization of Rolling Stock, Sec. 184 I.R.C.					3
4	Amortization of Rights of Way, Sec. 185 I.R.C.					4
5	Property	8,816,173	238,312		9,054,485	5
6	Other (Specify) -- Tax Benefit Transfer Leases	14,268	(578)		13,690	6
7	Reserves, including casualty & other claims	(108,817)	8,428		(100,389)	7
8	Compensation and Benefits	(109,523)	2,426	(28,485)	(135,582)	8
9	Miscellaneous	171,635	(12,849)	2,602	161,388	9
10						10
11						11
12						12
13						13
14						14
15						15
16						16
17						17
18						18
19	TOTALS	8,783,736	235,739	(25,883)	8,993,592	19

NOTES AND REMARKS

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

450. ANALYSIS OF TAXES - Continued

(Dollars in Thousands)

*Footnotes:

1. If flow-through method was elected, indicate net decrease (or increase) in tax accrual because of investment tax credit	
If deferral method for investment tax credit was elected:	
(1) Indicate amount of credit utilized as a reduction of tax liability for current year	N/A
(2) Deduct amount of current year's credit applied to reduction of tax liability but deferred for accounting purposes	N/A
(3) Balance of current year's credit used to reduce current year's tax accrual	N/A
(4) Add amount of prior year's deferred credits being amortized to reduce current year's tax accrual	N/A
(5) Total decrease in current year's tax accrual resulting from use of investment tax credit	N/A
2. Estimated amount of future earnings which can be realized before paying Federal income taxes because of unused and available net operating loss carryover on January 1 of the year following that for which the report is made	None

501. GUARANTIES AND SURETYSHIPS

(Dollars in Thousands)

1. If the respondent was under obligation as guarantor or surety for the performance by any other corporation or other association of any agreement or obligation, show the particulars of each contract of guaranty or suretyship in effect at the close of the year or entered into and expired during the year.

This inquiry does not cover the case of ordinary commercial paper maturing on demand or not later than 2 year after the date of issue. Items of less than \$50,000 may be shown as one total.

Line No.	Names of all parties principally and primarily liable (a)	Description (b)	Amount of contingent liability (c)	Sole or joint contingent liability (d)	Line No.
1					1
2					2
3					3
4					4
5					5
6					6
7	(a) Terminal R.R. Assoc. of St. Louis	Refunding & Improvement Mortgage Series "C" bonds due 7/1/2019 (FD14553-54)	7,014 & int.	Joint and Several	7
8					8
9					9
10					10
11					11
12					12
13	(a) Jointly and Severally with Burlington Northern Santa Fe Railway, CSX Transportation, Inc., Canadian National Railway and Union Pacific Railroad				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

2. If any corporation or other association was under obligation as guarantor or surety for the performance by the respondent of any agreement or obligation, show the particulars called for hereunder for each such contract of guaranty or suretyship in effect at the close of the year or entered into and expired during the year.

This inquiry does not cover the case of ordinary commercial paper maturing on demand or not later than 2 years after date of issue, nor does it include ordinary surety bonds or undertakings on appeals in court proceedings.

Line No.	Finance Docket number, title, maturity date and concise description of agreement or obligation (a)	Names of all guarantors and sureties (b)	Amount contingent liability of guarantors (c)	Sole or joint contingent liability (d)	Line No.
1					1
2					2
3					3
4					4
5					5
6					6
7					7
8					8
9					9

502. COMPENSATING BALANCES AND SHORT-TERM BORROWING ARRANGEMENTS

(Dollars in Thousands)

Using the following notes as a guideline, show the requirements of compensating balances and short-term borrowing arrangements. Footnote disclosure is required even though the arrangement is not reduced to writing.

1. Disclose compensating balances not legally restricted, lines of credit used and unused, average interest rate of short-term borrowings outstanding at balance sheet date, maximum amount of outstanding borrowings during the period and the weighted average rate of those borrowings.
2. Time deposits and certificates of deposit constituting compensating balances not legally restricted should be disclosed.
3. Compensating balance arrangements need only be disclosed for the latest fiscal year.
4. Compensating balances included in Account 703, Special Deposits, and in Account 717, Other Funds, should also be separately disclosed below.
5. Compensating balance arrangements are sufficiently material to require disclosure in footnotes when the aggregate of written and oral agreement balances amount to 15 percent or more of liquid assets (current cash balances, restricted and unrestricted plus marketable securities).
6. When a carrier is not in compliance with a compensating balance requirement, that fact should be disclosed along with stated and possible sanctions whenever such possible sanctions may be immediate (not vague or unpredictable) and material.

We have outstanding letters of credit in the amount of \$5.6 million, with various banks, under which no borrowings were outstanding as of December 31, 2016.

We have in place a \$350 million receivables securitization facility under which NSR sells substantially all of its eligible third-party receivables to a subsidiary, which in turn may transfer beneficial interests in the receivables to various commercial paper vehicles. Amounts received under the facility are accounted for as borrowings. Under this facility, we received \$100 million and repaid \$100 million in both 2016 and 2015. The facility was renewed and amended in June 2016, extending it until June 2018.

At December 31, 2016, the amount outstanding under the receivables securitization facility was \$200 million (at an average variable interest rate of 2.47%). Our intent is to refinance \$100 million of these borrowings on a long-term basis. Accordingly, \$100 million of the outstanding amount is included within "Funded Debt Unmatured" and the remaining \$100 million outstanding is included in "Loans and Notes Payable". At December 31, 2015, the amount outstanding was \$200 million (at an average interest rate of 1.48%) included in "Loans and Notes Payable" in the Combined Balance Sheets.

510. SEPARATION OF DEBTHOLDINGS BETWEEN ROAD PROPERTY AND EQUIPMENT

(Dollars in Thousands)

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

I. Debt Outstanding at End of Year:

Line No.	Account No.	Title	Source	Balance at Close of Year
1	751	Loans and Notes Payable	Sch. 200, L. 29	100,000
2	764	Equipment Obligations and Other Long Term Debt due Within One Year	Sch. 200, L. 38	177
3	765/767	Funded Debt Unmatured	Sch. 200, L. 40	551,826
4	766	Equipment Obligations	Sch. 200, L. 41	
5	766.5	Capitalized Lease Obligations	Sch. 200, L. 42	1,637
6	768	Debt in Default	Sch. 200, L. 43	
7	769	Accounts Payable; Affiliated Companies	Sch. 200, L. 44	5,813,618
8	770.1/770.2	Unamortized Debt Premium	Sch. 200, L. 45	61,427
9		Total Debt	Sum L. 1-8	6,528,685
10		Debt Directly Related to Road Property	Note 1.	1,919
11		Debt Directly Related to Equipment	Note 1.	
12		Total Debt Directly Related to Road & Equipment	Sum L. 10 and 11	1,919
13		Percent Directly Related to Road	L. 10 div. by L. 12 Whole % + 2 decimals	100.00%
14		Percent Directly Related to Equipment	L. 11 div. by L. 12 Whole % + 2 decimals	0.00%
15		Debt Not Directly Related to Road or Equipment	L. 9 - L. 12	6,526,766
16		Road Property Debt (Note 2)	(L. 13 x L. 15) + L. 10	6,528,685
17		Equipment Debt (Note 2)	(L. 14 x L. 15) + L. 11	

II. Interest Accrued During the Year:

Line No.	Account No.	Title	Source	Balance at Close of Year
18	546-548	Total Interest and Amortization (Fixed Charges)	Sch. 210, L. 42	227,900
19	546	Contingent Interest on Funded Debt	Sch. 210, L. 44	
20	517	Release of Premiums on Funded Debt	Sch. 210, L. 22	
21		Total Interest (Note 3)	(L. 18 + L. 19) - L. 20	227,900
22		Interest Directly Related to Road Property Debt	Note 4	112
23		Interest Directly Related to Equipment Debt	Note 4	
24		Interest Not Directly Related to Road or Equipment Property Debt	L. 21 - (L. 22 + L. 23)	227,788 *
25		Interest Road Property Debt (Note 5)	L. 22 + (L. 24 x L. 13)	227,900
26		Interest Equipment Debt (Note 5)	L. 23 + (L. 24 x L. 14)	
27		Embedded Rate of Debt Capital - Road Property	L. 25 div. by L. 16	3.49%
28		Embedded Rate of Debt Capital - Equipment	L. 26 div. by L. 17	0.00%

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

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

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

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

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

NOTES AND REMARKS

*Net of capitalized interest \$19,935. Amount on line 24 primarily represents "Other Interest expense" that does not relate to conventional debt as reported on line 9.

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 512

1. Furnish the information called for below between the respondent and the affiliated companies or persons affiliated with the respondent, including officers, directors, stockholders, owners, partners, or their wives and other close relatives, or their agents. Examples of transactions are, but are not restricted to, management, legal, accounting, purchasing, or other types of service including the furnishing of materials, supplies, purchase of equipment, leasing of structures, land and equipment, and agreements relating to allocation of officers' salaries and other common costs between affiliated companies.

To be excluded are payments for the following types of services:

- (a) Lawful tariff charges for transportation services.
- (b) Payments to or from other carriers for interline services and interchange of equipment.
- (c) Payment to or from other carriers which may reasonably be regarded as ordinarily connected with routine operation or maintenance, but any special or unusual transactions should be reported.
- (d) Payments to public utility companies for rates or charges fixed in conformity with government authority.

2. In column (a) enter the name of the affiliated company, person, or agent with which respondent received or provided services aggregating \$50,000 or more during the year. If an affiliated company provides services to more than one affiliate, and the aggregate compensation amounts to \$50,000 or more for the year, list all the affiliates included in the agreement and describe the allocation of charges. If the respondent provides services to more than one affiliate, and the aggregate compensation amounts to \$50,000 or more for the year, reference to this fact should be made and the detail as to the allocation of charges should be stated. For those affiliates providing services to the respondent, also enter in column (a) the percent of affiliate's gross income derived from transactions with respondent.

The respondent may be required to furnish as an attachment to Schedule 512 a balance sheet and income statement for each affiliate with which respondent carrier had reportable transactions during the year, or alternatively, attach a "Pro Forma" balance sheet and income statement for that portion or entity of each affiliate which furnished the agreed to services, equipment, or other reportable transaction. The statements, if required, should be prepared on a calendar year basis in conformity with the prescribed schedules for the balance sheet and income statement in this Annual Report Form R-1, and should be noted (1) to indicate the method used for depreciating equipment or other property furnished to the carrier, and (2) whether the affiliate's Federal income tax return for the year was filed on a consolidated basis with the respondent carrier.

3. In column (b) indicate the nature of the relationship or control between the respondent and the company or person identified in column (a) as follows:

- (a) If respondent directly controls the affiliate, insert the word "direct."
- (b) If respondent controls through another company, insert the word "indirect."
- (c) If respondent is under common control with affiliate, insert the word "common."
- (d) If respondent is controlled directly or indirectly by the company listed in column (a), insert the word "controlled."
- (e) If control is exercised by other means, such as a management contract or other arrangement of whatever kind, insert the word "other" and provide a footnote to describe such arrangements.

4. In column (c), fully describe the transactions involved such as management fees, lease of building, purchase of material, etc. When the affiliate listed in column (a) provides more than one type of service in column (c), list each type of service separately and show the total for the affiliate. When services are both provided and received between respondent and an affiliate they should be listed separately and the amounts shown separately in column (e).

5. In column (d), report the dollar amounts of transactions shown and the effect of any change in the method of establishing the terms from that used in the preceding period.

6. In column (e), report the dollar amounts due from or to related parties and, if not otherwise apparent, the terms and manner of settlement. Insert (P) for paid or (R) for received by the amount in column (e).

512. TRANSACTIONS BETWEEN RESPONDENT AND COMPANIES OR PERSONS AFFILIATED WITH RESPONDENT FOR SERVICES RECEIVED OR PROVIDED

Line No.	Name of company or related party with percent of gross income (a)	%	Nature of relationship (b)	Description of transactions (c)	Dollar amounts of transactions (000's) (d)	Amount due from or to related parties (e)	Line No.
1							1
2	If NS Rail provides rail transportation services to any of these entities, it does so in the normal course of business at applicable tariff or contract rates,						2
3	both of which are subject to STB jurisdiction and review.						3
4	Conrail Inc. and CRC		Other	(See note 1)			4
5	Norfolk Southern Corporation		Controlled	(See note 1)			5
6							6
7							7
8							8
9							9
10							10
11							11
12							12
13							13
14							14
15							15
16							16
17							17
18							18

NOTES AND REMARKS

Note 1 - See note 10 to Schedule 200 on page 8.

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 700

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

700. MILEAGE OPERATED AT CLOSE OF YEAR										
Line No.	Class	Proportion owned or leased by Respondent	Running tracks, passing tracks, crossovers, etc.				Miles of way switching tracks (g)	Miles of yard switching tracks (h)	TOTAL (i)	Line No.
			Miles of road (c)	Miles of second main track (d)	Miles of all other main tracks (e)	Miles of passing tracks, cross-overs, and turnouts (f)				
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)		
1	1	100%	14,702	2,559	168	1,940	2,479	5,748	27,596	1
2	1	50%	7	5		5	15	13	45	2
3	1	33%	4	3		4		5	16	3
4	1J	75%						7	7	4
5	1J	67%						4	4	5
6	1J	50%				1	11	24	36	6
7	1J	33%					3	2	5	7
8										8
9		Total Class 1	14,713	2,567	168	1,950	2,508	5,803	27,709	9
10										10
11										11
12	3	100%	23	9			5		37	12
13	3A	100%						2	2	13
14	3AJ	100%								14
15	3B	100%	337	177	4	32	47	80	677	15
16	3BJ	50%				1		5	6	16
17										17
18		Total Class 3	360	186	4	33	52	87	722	18
19										19
20										20
21	4	100%	6				1	33	40	21
22	4B	100%								22
23	4BJ	50%								23
24										24
25		Total Class 4	6				1	33	40	25
26										26
27										27
28	5	100%	4,390	1,137	589	365	132	531	7,144	28
29										29
30		Total Class 5	4,390	1,137	589	365	132	531	7,144	30
31										31
32										32
33										33
34										34
35										35
36										36
37										37
38										38
39										39
40										40
41										41
42										42
43										43
44										44
45										45
46										46
47										47
48										48
49										49
50										50
51										51
52										52
53										53
54										54
55										55
56										56
57		TOTAL	19,469	3,890	761	2,348	2,693	6,454	35,615	57
58		Miles of electrified road or track included in preceding grand total	N/A							58

702. MILES OF ROAD AT CLOSE OF YEAR - BY STATES AND TERRITORIES (SINGLE TRACK)

Give particulars, as of the close of the year, of all road operated and of all owned but not operated. The respondent's portion of operated road held by it as joint or common owner, or under a joint lease, or under any joint arrangement, should be shown in columns (b), (c), (d), or (e), as may be appropriate. The remainder of jointly operated mileage should be shown in column (f). Respondent's proportion of road jointly owned, not operated, should be shown in column (h), as may be appropriate. Mileage which has been permanently abandoned should not be included in column (h). Mileage should be reported to the nearest WHOLE mile adjusted to accord with footings; i.e., counting one-half mile and over as a whole mile and disregarding any fraction less than one-half mile.

Line No.	Cross Check	State or territory (a)	MILES OF ROAD OPERATED BY RESPONDENT								Line No.	
			Line owned (b)	Line of proprietary companies (c)	Line operated under lease (d)	Line operated under contract etc. (e)	Line operated under trackage rights (f)	Total mileage operated (g)	Line owned not operated by respondent (h)	New line constructed during year (i)		
1		Alabama	1,212					92	1,304	89		1
2		Canada						2	2			2
3		Delaware	35					43	78	93		3
4		District of Columbia						13	13			4
5		Florida	95					53	148			5
6		Georgia	1,696					9	1,705	381		6
7		Illinois	842					414	1,256	63		7
8		Indiana	1,174		2			265	1,441	36		8
9		Iowa	5				1	37	43	43		9
10		Kansas						2	2			10
11		Kentucky	154		212			63	429			11
12		Louisiana	72					4	76			12
13		Maryland	59					174	233	37		13
14		Michigan	115					372	487	157		14
15		Mississippi	209					2	211			15
16		Missouri	344					65	409			16
17		New Jersey	124					807	931	2		17
18		New York	596					294	890	178		18
19		North Carolina	825					364	1,189	418		19
20		Ohio	1,622		10			389	2,021	251		20
21		Pennsylvania	1,760				5	637	2,402	193		21
22		South Carolina	658					104	762	37		22
23		Tennessee	647		136			46	829	144		23
24		Virginia	1,883					107	1,990	154		24
25		West Virginia	586					32	618	233		25
26												26
27												27
28												28
29												29
30												30
31												31
32		TOTAL MILEAGE (single track)	14,713		360		6	4,390	19,469	2,509		32

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 710

Instructions for reporting locomotive and passenger-train car data.

1. Give particulars of each of the various classes of equipment which respondent owned or leased during the year.
2. In column (c), give the number of units purchased new or built in company shops. In column (d), give the number of new units leased from others. The term "new" means a unit placed in service for the first time on any railroad.
3. Units leased to others for a period of one year or more are reportable in column (l). Units temporarily out of respondent's service and rented to others for less than one year are to be included in column (h). Units rented from others for a period less than one year should not be included in column (i).
4. For reporting purposes, a "locomotive unit" is a self-propelled vehicle generating or converting energy into motion, and designed solely for moving other equipment. An "A" unit is the least number of wheel bases with superstructure designed for use singly or as a lead locomotive unit in combination with other locomotive units. A "B" unit is similar to an "A" unit but it is not equipped for use singly or as a lead locomotive unit. A "B" unit may be equipped with hostler controls for independent operation at terminals.
5. A "self-propelled" car is a rail motor car propelled by electric motors receiving power from a third rail or overhead, or internal combustion engines located on the car itself. Trailers equipped for use only in trains of cars that are self-propelled are to be included as self-propelled equipment.
6. A "diesel" unit includes all units propelled by diesel internal combustion engines regardless of final drive or whether power may at times be supplied from an external conductor. Units other than diesel-electric, e.g., diesel-hydraulic, should be identified in a footnote, giving the number and a brief description. An "electric" unit includes all units which receive electric power from a third rail or overhead contact wire, and use the power to drive one or more electric motors that propel the vehicle. An "other self-powered unit" includes all units other than diesel or electric, e.g., gas turbine, steam. Show the type of unit, service, and number, as appropriate, in a brief description sufficient for positive identification. An "Auxiliary unit" includes all units used in conjunction with locomotives, but which draw their power from the "mother" unit, e.g., boosters, slugs, etc. For reporting purposes, indicate radio-controlled self-powered diesel units on lines 1 through 8, as appropriate. Radio-controlled units that are not self-propelled, i.e., those without a diesel, should be reported on line 13 under "auxiliary units."

7. Column (k) should show aggregate capacity for all units reported in column (j), as follows:
For locomotive units, report the manufacturer's rated horsepower (the maximum continuous power output from the diesel engines or engines delivered to the main generator or generators for tractive purposes). Exclude capacity data for steam locomotives. For passenger-train cars, report the number of passenger seats available for revenue service, counting one passenger to each berth in sleeping cars.
8. Passenger-train car types and service equipment car types correspond to AAR Mechanical Division designations. Descriptions of car codes and designations are published in The Official Railway Equipment Register.

9. Cross-checks

Schedule 710	Schedule 710
Line 5, column (j)	= Line 11, column (l)
Line 6, column (j)	= Line 12, column (l)
Line 7, column (j)	= Line 13, column (l)
Line 8, column (j)	= Line 14, column (l)
Line 9, column (j)	= Line 15, column (l)
Line 10, column (j)	= Line 16, column (l)

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

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

710. INVENTORY OF EQUIPMENT

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

Line No.	Cross Check	Type or design of units (a)	Changes During the Year					Units retired from service of respondent whether owned or leased, including reclassification (g)	Units at Close of Year					Line No.
			Units installed						Owned and used (h)	Leased from others (i)	Total in service of respondent [col (h) & (i)] (j)	Aggregate capacity of units reported in col. (j) (See Ins. 7) (k)	Leased to others (l)*	
			Units in service of respondent at beginning of year (b)	New units purchased or built (c)	New units leased from others (d)	Rebuilt units acquired and rebuilt units rewritten into property accounts (e)	All other units including reclassification and second hand units purchased or leased from others (f)							
		Locomotive Units												
1		Diesel-freight units	2,838	50		84	10	128	2,854		2,854	12,071,500	13	1
2		Diesel-passenger units												2
3	*	Diesel-multiple purpose units	1,189			12	3	84	1,120		1,120	2,974,500	54	3
4	*	Diesel-switching units	95				1	44	52		52	78,700	2	4
5	*	TOTAL (lines 1 to 4) units	4,122	50		96	14	256	4,026		4,026	15,124,700	69	5
6		Electric-locomotives												6
7		Other self-powered units	1						1		1	1,350		7
8	*	TOTAL (lines 5, 6 and 7)	4,123	50		96	14	256	4,027		4,027	15,126,050	69	8
9		Auxiliary units	155	16		1			172		172	N/A		9
10	*	TOTAL LOCOMOTIVE UNITS (lines 8 and 9)	4,278	66		97	14	256	4,199		4,199	15,126,050	69	10

* Note: Col (l) - Leased to Others includes 56 NS Owned Locomotives Leased to Conrail for use in Shared Assets Area

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

Line No.	Cross Check	Type or design of units (a)	Before 1/1/1995 (b)	Between 1/1/1995 and 12/31/1999 (c)	Between 1/1/2000 and 12/31/2004 (d)	Between 1/1/2005 and 12/31/2009 (e)	Between 1/1/2010 and 12/31/2014 (f)	During Calendar Year					Line No.	
								2015 (g)	2016 (h)	2017 (i)	2018 (j)	2019 (k)		TOTAL (l)
11	*	Diesel	1,794	844	662	359	317	-	50				4,026	11
12	*	Electric												12
13	*	Other self-powered units	1										1	13
14	*	TOTAL (lines 11 to 13)	1,795	844	662	359	317		50				4,027	14
15	*	Auxiliary units	140				8	8	16				172	15
16	*	TOTAL LOCOMOTIVE UNITS (Lines 14 and 15)	1,935	844	662	359	325	8	66				4,199	16

710. INVENTORY OF EQUIPMENT - Continued														
UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS														
Line No.	Cross Check	Type or design of units (a)	Changes During the Year					Units retired from service of respondent whether owned or leased, including reclassification (g)	Units at Close of Year					Line No.
			Units installed						Owned and used (h)	Leased from others (i)	Total in service of respondent (col. (h) & (i)) (j)	Aggregate capacity of units reported in col. (j) (see ins. 7) (k)	Leased to others (l)	
			Units in service of respondent at beginning of year (b)	New units purchased or built (c)	New units leased from others (d)	Rebuilt units acquired and rebuilt units rewritten into property accounts (e)	All other units including reclassification and second hand units purchased or leased from others (f)							
17		PASSENGER-TRAIN CARS Non-Self-Propelled Coaches (PA, PB, PBO)												17
18		Combined cars (All class C, except CSB)												18
19		Parlor cars (PBC, PC, PL, PO)												19
20		Sleeping cars (PS, PT, PAS, PDS)												20
21		Dining, grill and tavern cars (All class D, PD)												21
22		Non-passenger carrying cars (All class B, CSB, M, PSA, 1A)												22
23		TOTAL (lines 17 to 22)												23
24		Self-Propelled Electric passenger cars (EP, ET)												24
25		Electric combined cars (EC)												25
26		Internal combustion rail motorcars (ED,EG)												26
27		Other self-propelled cars (Specify types)												27
28		TOTAL (lines 24 to 27)												28
29		TOTAL (lines 23 and 28)												29
30		COMPANY SERVICE CARS Business cars (PV)	33							33		33	N/A	30
31		Board outfit cars (MWX)	289				21	2	308		308	N/A		31
32		Derrick and snow removal cars (MWU, MWV, MWW, MWK)	255				6	1	260		260	N/A		32
33		Dump and ballast cars (MWB, MWD)	760				56	64	497	255	752	N/A		33
34		Other maintenance and service equipment cars	3,605				1,179	97	4,684	3	4,687	N/A		34
35		TOTAL (lines 30 to 34)	4,942				1,262	164	5,782	258	6,040	N/A		35

710. INVENTORY OF EQUIPMENT - Continued

Instructions for reporting freight-train car data

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

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

Line No.	Cross Check	Class of equipment and car designations (a)	Units in service of respondent at beginning of year		Changes During the Year				Line No.
			Time-mileage cars (b)	All Others (c)	Units installed				
					New units purchased or built (d)	New or rebuilt units leased from others (e)	Rebuilt units acquired and rebuilt units rewritten into property accounts (f)	All other units, including reclassification and second hand units purchased or leased from others (g)	
		FREIGHT TRAIN CARS							
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_)	492						37
38		Equipped box cars (All Code A, Except A_5_)	11,682						38
39		Plain gondola cars (All Codes G & J_ _1, J_ _2, J_ _3, J_ _4)	17,005		650				39
40		Equipped gondola cars (All Code E)	16,404						40
41		Covered hopper cars (C_ _1, C_ _2, C_ _3, C_ _4)	10,352		186				41
42		Open top hopper cars - general service (All Code H)	8,652						42
43		Open top hopper cars - special service (J_ _O, and All Code K)	3,864						43
44		Refrigerator cars - mechanical (R_5_ , R_6_ , R_7_ , R_8_ , R_9_)							44
45		Refrigerator cars - non-mechanical (R_0_ , R_1_ , R_2_)							45
46		Flat cars - TOFC/COFC (All Code P, Q and S, Except Q8_)	1,056						46
47		Flat cars - multi-level (All Code V)	474						47
48		Flat cars - general service (F10_ , F20_ , F30_)	33						48
49		Flat cars - other (F_1_ , F_2_ , F_3_ , F_4_ , F_5_ , F_6_ , F_8_ , F40_)	2,017					71	49
50		Tank cars - under 22,000 gallons (T_0_ , T_1_ , T_2_ , T_3_ , T_4_ , T_5_)							50
51		Tank cars - 22,000 gallons and over (T_6_ , T_7_ , T_8_ , T_9_)		18					4 51
52		All other freight cars (A_5_ , F_7_ , All Code L and Q8_)	4,441						52
53		TOTAL (lines 36 to 52)	76,472	18	836			75	53
54		Caboose (All Code M-930)	N/A	151					54
55		TOTAL (lines 53, 54)	76,472	169	836			75	55

710. INVENTORY OF EQUIPMENT - Continued

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

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

Line No.	Cross Check	Changes during year (concluded) Units retired from service of respondent whether owned or leased including reclassification (h)	Units at close of year						Line No.
			Owned and Used (i)	Leased from others (j)	Units installed		Aggregate capacity of units reported in col. (k) & (l) (see ins. 4) (m)	Leased to others (n)	
					Total in service of respondent (col. (i) & (j))				
					Time-mileage cars (k)	All Others (l)			
36								36	
37		3	33	456	489		50,721	37	
38		812	9,964	906	10,870		913,960	38	
39		2,124	14,453	1,078	15,531		1,798,273	39	
40		1,318	13,511	1,575	15,086		1,555,476	40	
41		388	10,065	85	10,150		1,122,115	41	
42		331	8,321		8,321		943,536	42	
43		143	3,721		3,721		409,346	43	
44								44	
45								45	
46		13	34	1,009	1,043		113,347	46	
47		3	361	110	471		22,476	47	
48		26	7		7		552	48	
49		224	1,498	366	1,864		189,486	49	
50								50	
51		6	4	12		16	1,587	51	
52		2,878	1,563		1,563		78,463	52	
53		8,269	63,535	5,597	69,116	16	7,199,338	53	
54			151		N/A	151	N/A	54	
55		8,269	63,686	5,597	69,116	167	7,199,338	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)							58
HIGHWAY REVENUE EQUIPMENT									
59		Chassis (Z_1_, Z_67_, Z_68_, Z_69_)		28,738				4,224	59
60		Dry van (U_2_, Z_, Z_6_, 1-6)		28,750					60
61		Flat bed (U_3_, Z_3_)		65					61
62		Open bed (U_4_, Z_4_)							62
63		Mechanical refrigerator (U_5_, Z_5_)		32					63
64		Bulk hopper (U_0_, Z_0_)							64
65		Insulated (U_7_, Z_7_)							65
66		Tank (Z_0_, U_6_) (See note)							66
67		Other trailer and container (Special equipped dry van U_9_, Z_8_, Z_9_)							67
68		Tractor							68
69		Truck							69
70		TOTAL (Lines 59 to 69)		57,585				4,224	70

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

NOTES AND REMARKS

710. INVENTORY OF EQUIPMENT - Concluded

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

Line No.	Cross Check	Changes during year (concluded)	Units at close of year						Line No.	
		Units retired from service of respondent whether owned or leased including reclassification (h)	Owned and used (i)	Leased from others (j)	Total in service of respondent (col (i) & (j))		Aggregate capacity of units reported in col (k) & (l) (see ins. 4) (m)	Leased to Others (n)		
					Per diem (k)	All Others (l)				
56						N/A		N/A		56
57						N/A		N/A		57
58										58
59		4,252	28,710				28,710	N/A		59
		6,667	20,318	1,765			22,083	624,287		
			65				65	731		
		32								
		10,951	49,093	1,765			50,858	625,018		

NOTES AND REMARKS

710S. UNIT COST OF EQUIPMENT INSTALLED DURING THE YEAR
(Dollars in Thousands)

1. Give particulars, as requested, separately, for the various classes of new units and rebuilt units of equipment installed by respondent during the year. If information regarding the cost of any units installed is not complete at time of filing of this report, the units should be omitted, but reference to the number of units omitted should be given in a footnote, the details as to cost to be given in the report of the following year. The cost of units under construction at the close of the year should not be reflected in this schedule even though part of the cost appears in the property account for the year. Indicate in column (e) whether an installation represents equipment purchased (P), built or rebuilt by contract in outside railroad shops (C), or built or rebuilt in company or system shops (S) including units acquired through capitalized leases (L).
2. In column (a) list each class or type of locomotive unit, car or TOFC/COFC equipment on a separate line. By class is meant the standard classification used to distinguish types of locomotive units, freight cars or other equipment adopted by the Association of American Railroads, and should include physical characteristics requested by Schedule 710. Locomotive units should be identified as to power source, wheel arrangement, and horsepower per unit, such as multiple-purpose diesel locomotive A units (B-B), 2500 HP. Cars should be identified as to special construction or service characteristics, such as aluminum-covered hopper car (LO), steel boxcars-special service (XAP). For TOFC/COFC, show type of equipment as enumerated in Schedule 710.
3. In column (c) show the total weight in tons of 2,000 pounds. The weight of the equipment acquired should be the weight empty.
4. The cost should be the complete cost as entered on the ledger, including foreign line freight charges and handling charges.
5. Data for this schedule should be confined to the units reported in Schedule 710, columns (c) and (e) for locomotive units, passenger-train cars and company service cars and columns (d) and (f) for freight train cars, floating equipment and highway revenue equipment. Disclose new units in the upper section of this schedule. Disclose rebuilt units acquired or rewritten into the respondent's accounts in the lower section. The term "new" as used herein shall mean a unit or units placed in service for the first time on any railroad.
6. All unequipped boxcars acquired in whole or part with incentive per diem funds should be reported on separate lines and be appropriately identified by footnote or sub-heading.

NEW UNITS

Line No.	Class of equipment (a)	Number of Units (b)	Total Weight (Tons) (c)	Total Cost (d)	Method of Acquisition (see instructions) (e)	Line No.
1	Diesel - Freight Units 6-Axle 4,400 HP	50	10,800	139,016	P	1
2	Auxiliary Units 4-Axle	14	1,946	5,627	S	2
3	Auxiliary Units 6-Axle	2	374	968	S	3
4	Standard Steel 3,564 CU FT Plain Gondolas (GB)	75	26	7,356	P	4
5	Standard Steel 2,743 CU FT Plain Gondolas (GB)	575	178	52,223	P	5
6	Standard Steel 5,200 CU FT Covered Hopper (LO)	186	56	16,368	P	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	TOTAL	902	13,380	221,558	N/A	25
REBUILT UNITS						
26	Diesel - Freight Units 6-Axle 4,400 HP	16	3,280	25,176	S	26
27	Diesel - Freight Units 6-Axle 4,300 HP	48	9,975	37,405	S	27
28	Diesel - Freight Units 6-Axle 4,000 HP	8	1,604	11,574	S	28
29	Diesel - Freight Units 4-Axle 4,000 HP	12	2,359	19,243	S	29
30	Diesel - Multipurpose Units 4-Axle 3,000 HP	12	1,625	11,633	S	30
31	Auxiliary Units 6-Axle	1	198	342	S	31
32						32
33						33
34						34
35						35
36						36
37						37
38	TOTAL	97	19,041	105,373	N/A	38
39	GRAND TOTAL	999	32,421	326,931	N/A	39

GENERAL INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 720

1. For purposes of these schedules, the track categories are defined as follows:
 Track category 1
 A - Freight density of 20 million or more gross ton-miles per track mile per year (include passing tracks, turnouts, and crossovers)
 B - Freight density of less than 20 million gross ton-miles per track mile per year, but at least 5 million (include passing tracks, turnouts, and crossovers)
 C - Freight density of less than 5 million gross ton-miles per track mile per year, but at least 1 million (include passing tracks, turnouts, and crossovers)
 D - Freight density of less than 1 million gross ton-miles per track mile per year (include passing tracks, turnouts, and crossovers)
 E - Way and yard switching tracks (passing tracks, crossovers and turnouts shall be included in categories A, B, C, D, F, and potential abandonments, as appropriate).
 F - Track over which any passenger service is provided (other than potential abandonments). Mileage should be included within track categories A through E unless it is dedicated entirely to passenger service category F.
 Potential abandonments - Route segments identified by railroads as potentially subject to abandonment as required by Section 10903 of the ICC Termination Act of 1995.
2. This schedule should include all class 1, 2, 3, or 4 track from Schedule 700 that is maintained by the respondent (class 5 track is assumed to be maintained by others).
3. If, for two consecutive years, a line segment classified in one track category maintains a traffic density which would place it in another, it shall be reclassified into that category as of the beginning of the second year.
4. Traffic density related to passenger service shall not be included in the determination of the track category of a line segment.

720. TRACK AND TRAFFIC CONDITIONS

1. Disclose the requested information pertaining to track and traffic conditions.

Line No.	Track category	Mileage of tracks at end of period (whole numbers)	Average annual traffic density in millions of gross ton-miles per track-mile* (use two decimal places)	Average running speed limit (use two decimal places)	Track miles under slow orders at the end of period	Line No.
	(a)	(b)	(c)	(d)	(e)	
1	A	8,710	52.24	53.63	25	1
2	B	6,686	14.39	43.38	48	2
3	C	2,200	2.68	27.56	32	3
4	D	2,391	0.29	19.15	91	4
5	E	8,484	N/A	N/A	N/A	5
6	TOTAL	28,471	26.28	43.20	196	6
7	F	3,365	N/A	N/A	N/A	7
8	Potential abandonments					8

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

750. CONSUMPTION OF DIESEL FUEL
(Dollars in Thousands)

Locomotives			
Line No.	Kind of locomotive service (a)	Diesel oil (gallons) (b)	Line No.
1	Freight	433,408,785	1
2	Passenger		2
3	Yard switching	28,595,955	3
4	TOTAL	462,004,740	4
5	COST OF FUEL \$(000)	\$ 658,773	5
6	Work Train	3,701,847	6

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 755

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

- (A) Report miles of road operated at close of year, excluding industrial tracks, yard tracks, and sidings.
- (B) A train-mile is a movement of a train a distance of one mile. In computing train-miles, fractions representing less than one-half mile shall be disregarded and other fractions shall be considered as one mile. Train Miles-Running shall be based on the actual distance run between terminals and/or stations and shall be computed from the official time tables or distance tables. Train-Miles shall not be increased to cover the running of locomotives from shops to terminals, doubling hills, switching, or other work at way stations, or for the service of helper or pusher locomotives or of extra locomotives on double-head or triple-head trains. When the carrier's trains are detoured over foreign roads, the miles shall be computed on the basis of the miles actually run and in accordance with the service performed. Train-miles shall be kept separately for trains hauled by locomotives and trains moved by motorcars.
- (C) A motorcar is a self-propelled unit of equipment designed to carry freight or passengers, and is not considered a locomotive.
- (D) A locomotive is a self-propelled unit of equipment designed solely for moving other equipment. A locomotive unit-mile is a movement of a locomotive unit a distance of one mile under its own power. Include miles made by all locomotive units. Exclude miles made by motorcars. Miles of locomotives in helper service shall be computed on the basis of actual distance run in such service.
- (E) All locomotive unit-miles in road service shall be based on the actual distance run between terminals and/or stations. Follow instruction (B) regarding fractions and official time tables for computing locomotive miles.
- (F) Train switching locomotive-miles shall be computed at the rate of six miles per hour for the time actually engaged in such service. Include miles allowed for train locomotives for performing switching service at terminals and way stations.
- (G) Yard switching locomotive-miles shall be computed at the rate of six miles per hour for the time actually engaged in yard switching service. Include miles allowed for yard locomotives for switching service in yards where regular switching service is maintained and in terminal switching and transfer service.
- (H) A car-mile is a movement of a unit of car equipment a distance of one mile. Use car designations shown in Schedule 710. Under Railroad owned and leased Cars, Items 4-01 and 4-11, report both foreign cars and respondent's own cars while on the line of the respondent railroad. In Items 4-13 and 4-15, report private-line cars and shipper-owned cars. Loaded and empty miles should be reported whether or not the railroad reimbursed the owner on a loaded and/or empty miles basis. Report miles made by flatcars carrying empty highway trailers that are not moving under revenue billings as empty freight car-miles. Do not report miles made by motorcars or business cars.
- (I) Exclude from Items 4-01, 4-11, 4-13, and 4-15, car-miles of work equipment, cars carrying company freight, and non-revenue private line cars moving in transportation trains. Include such car-miles in Items 4-17, 4-18, and 4-19. If private line cars move in revenue service, the loaded and empty miles should not be considered no-payment or non-revenue car-miles.
- (J) Report miles actually run by passenger-train cars in transportation service. Passenger-train car-miles include miles run by coaches and cars in which passengers are carried at regular tariff fares without extra charge for space occupied; miles run by combination passenger and baggage, passenger and mail, passenger and express; miles run by sleeping, parlor, and other cars for which an extra fare is charged; miles run by dining, cafe, and other cars devoted exclusively to the serving of meals and other refreshments and by club, lounge, and observation cars; and miles run by other passenger-train cars where services are combined, such as baggage, express, and mail.
- (K) From conductor's or dispatcher's train reports or other appropriate sources, compute weight in tons (2,000 pounds). Item 6-01 includes weight of all locomotive units moved one mile in transportation trains. Ton-miles of motorcars should be excluded. Items 6-02 and 6-03 represent tons behind locomotive units (cars and contents, cabooses) moved one mile in transportation trains (excluding non-revenue gross ton-miles). Nonrevenue gross ton-miles in transportation trains include work equipment and cars carrying company freight and their contents. Use 150 pounds as the average weight per passenger and four tons as the average weight of contents of each head-end car.
- (L) From conductor's train reports or other appropriate sources, compute ton-miles of freight. Ton-miles represent the number of tons of revenue and nonrevenue freight moved one mile in a transportation train. Include net ton-miles in motorcar trains. Exclude I.C.I. shipment of freight handled in mixed baggage express cars. Total ton-miles of revenue freight should correspond to the ton-miles reported on Form CBS.

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 755 - (Concluded)

- (M) Road service represents elapse time of transportation trains (both ordinary and light) between the time of leaving the initial terminals and the time at final terminals, including trains switching at way stations and delays on road as shown by conductor's or dispatcher's train reports. Include time of motorcar service performed by train locomotives at terminals and way stations. Report in Item 9-02, train switching hours included in Item 9-01. Train switching is the time spent by the train while performing switching service at terminals and way stations where no regular yard service is maintained. A train hour is independent of the number of locomotives in the train.
- (N) Yard switching hours are hours expended in switching service performed by yard crews in yards where regular switching service is maintained, including switching and transfer service in connection with the transportation of revenue and incidentally of company freight. Hours in yard switching are independent of the number of locomotives used.
- (O) Work-train miles include the miles run by trains engaged in company service such as official inspection; inspection trains for railway commissioners for which no revenue is received; trains running special with fire apparatus to save carrier's property from destruction; trains run for transporting the carrier's employees to and from work when no transportation charge is made; wrecking trains run solely for the purpose of transporting company material; trains run for distributing material and supplies for use in connection with operations; and all other trains used in work-train services. Exclude miles run by locomotives while engaged incidentally in switching company materials in company shops or material yards in connection with regular yard switching service or in switching equipment for repairs between yards and shops.
- (P) The number of loaded freight cars shall be obtained from the conductors' wheel report and shall be the sum of all loaded cars handled by each train. For example, if a car moves loaded (1) in a way train from the origination points, (2) in two through trains, and (3) in a way-train to the destination point, the total count of loaded cars would be four: two counts for the movements in the way trains and two counts for the movements in through trains. Therefore, each car originated or received from a connecting carrier receives an initial count, plus one count for each subsequent physical transfer between trains on respondent's lines. No additional count is given because of crew change or changes in track identification number unless there is a physical transfer of the car between trains. Each car moving under revenue billing shall be considered as a loaded car.
- (Q) Report vehicles (TOFC trailers/containers, automobiles and trucks) loaded and unloaded to and from TOFC and multiple level freight cars when the work is performed at the railroad's expense.
- (R) Report the number of loaded revenue trailers/containers picked up, plus revenue trailers/containers delivered in TOFC/COFC and in highway interchange service, when the work is performed at the railroad's expense. (Performed at railroad's expense means that railroad employees perform the service or that the railroad hires a subsidiary or outside contractor to perform the service.) Do not include those trailers/containers which are picked up or delivered by a shipper or motor carrier, etc. when a tariff provision requires that the shipper or motor carrier, etc., and not the railroad, perform that service. Note: The count should reflect the trailers/containers for which expenses are reported in Schedule 417, line 2, column (b).
- (S) Report under Marine Terminals, Item 16, the tons loaded onto and unloaded from marine vessels at the expense of the reporting railroad.
- (T) Report the total number of foreign railroad cars on line at the end of the year (except surplus cars, see below). Foreign railroad cars refers to freight cars owned by other railroads whose interline rental is settled on time (by hour) and actual line-haul mileage charges under the Code of Car Hire Rules.
- Carriers will be governed by local conditions in determining whether a car at an interchange point should be considered "on-line." Unserviceable cars include cars on repair tracks undergoing or awaiting repairs. They include cars on repair tracks repaired and awaiting switching, cars on repair tracks undergoing or awaiting repairs switching, cars awaiting movement to repair tracks held in train yards (excluding cars which are to be repaired in the train yard without loss of time), cars moving empty in trains en route to shop, and cars stored awaiting disposition.
- Surplus cars are cars which are in serviceable condition for loading on the last day of the year, but have not been placed for loading within 48 hours. This count can be an annual average based on weekly count of cars that have not been placed for loading within 48 hours.
- (U) Flat-TOFC/COFC Car miles reported in lines 25 (4-020), 41 (4-120), 57 (4-140), and 75 (4-160) will be computed using cars rather than constructed container platforms. For example, an articulated car consisting of five platforms moved one mile will be counted as one car-mile, not five car-miles.
- (V) The intermodal Load Factor reported on Line 134 will be calculated for the average number of intermodal (TOFC/COFC) units loaded on the average intermodal car. Units are to be calculated in the same manner as Line 123, (13 TOFC/COFC-No. of Revenue Trailers & Containers Loaded and Unloaded (Q)). Intermodal cars will be calculated in accordance with instruction U for reporting Flat-TOFC/COFC Car-miles. Both intermodal (TOFC/COFC) units and intermodal cars are to be calculated using actual units and not constructed intermodal (TOFC/COFC) units or cars.

755. RAILROAD OPERATING STATISTICS

Line No.	Cross Check	Item description (a)	Freight train (b)	Pass. train (c)	Line No.
1		1. MILES OF ROAD OPERATED (A)	19,469		1
		2. TRAIN MILES - RUNNING (B)			
2		2-01 UNIT TRAINS	9,904,775	XXXXXX	2
3		2-02 WAY TRAINS	11,163,398	XXXXXX	3
4		2-03 THROUGH TRAINS	50,581,894		4
5		2-04 TOTAL TRAIN MILES (lines 2-4)	71,650,067		5
6		2-05 MOTORCARS (C)			6
7		2-06 TOTAL, ALL TRAINS (lines 5, 6)	71,650,067		7
		3. LOCOMOTIVE UNIT MILES (D)			
		ROAD SERVICE (E)			
8		3-01 UNIT TRAINS	25,044,355	XXXXXX	8
9		3-02 WAY TRAINS	19,155,770	XXXXXX	9
10		3-03 THROUGH TRAINS	125,198,859		10
11		3-04 TOTAL (lines 8-10)	169,398,984		11
12		3-11 TRAIN SWITCHING (F)	5,362,641	XXXXXX	12
13		3-21 YARD SWITCHING (G)	12,063,640		13
14		3-31 TOTAL ALL SERVICES (lines 11, 12, 13)	186,825,265		14
		4. FREIGHT CAR-MILES (thousands) (H)			
		4-01 RR OWNED AND LEASED - LOADED			
15		4-010 BOX-PLAIN 40-FOOT		XXXXXX	15
16		4-011 BOX-PLAIN 50-FOOT AND LONGER	7,311	XXXXXX	16
17		4-012 BOX-EQUIPPED	117,299	XXXXXX	17
18		4-013 GONDOLA-PLAIN	156,374	XXXXXX	18
19		4-014 GONDOLA-EQUIPPED	78,652	XXXXXX	19
20		4-015 HOPPER-COVERED	115,653	XXXXXX	20
21		4-016 HOPPER-O/T-GENERAL SERVICE	49,184	XXXXXX	21
22		4-017 HOPPER-O/T-SPECIAL SERVICE	21,553	XXXXXX	22
23		4-018 REFRIGERATOR-MECHANICAL	3,095	XXXXXX	23
24		4-019 REFRIGERATOR-NON-MECHANICAL	5,838	XXXXXX	24
25		4-020 FLAT-TOFC/COFC	150,073	XXXXXX	25
26		4-021 FLAT-MULTI-LEVEL	25,416	XXXXXX	26
27		4-022 FLAT-GENERAL SERVICE	208	XXXXXX	27
28		4-023 FLAT-ALL OTHER	32,222	XXXXXX	28
29		4-024 ALL OTHER CAR TYPES	47,982	XXXXXX	29
30		4-025 TOTAL (lines 15-29)	810,860	XXXXXX	30

755. RAILROAD OPERATING STATISTICS

Line No.	Cross Check	Item description (a)	Freight train (b)	Pass. train (c)	Line No.
		4-11 RR OWNED AND LEASED EMPTY			
31		4-110 BOX-PLAIN 40-FOOT		XXXXXX	31
32		4-111 BOX-PLAIN 50-FOOT AND LONGER	7,843	XXXXXX	32
33		4-112 BOX-EQUIPPED	118,259	XXXXXX	33
34		4-113 GONDOLA-PLAIN	156,144	XXXXXX	34
35		4-114 GONDOLA-EQUIPPED	67,237	XXXXXX	35
36		4-115 HOPPER-COVERED	125,095	XXXXXX	36
37		4-116 HOPPER-O/T-GENERAL SERVICE	53,594	XXXXXX	37
38		4-117 HOPPER-O/T-SPECIAL SERVICE	23,293	XXXXXX	38
39		4-118 REFRIGERATOR-MECHANICAL	3,121	XXXXXX	39
40		4-119 REFRIGERATOR-NON-MECHANICAL	5,118	XXXXXX	40
41		4-120 FLAT-TOFC/COFC	21,136	XXXXXX	41
42		4-121 FLAT-MULTI-LEVEL	21,575	XXXXXX	42
43		4-122 FLAT-GENERAL SERVICE	266	XXXXXX	43
44		4-123 FLAT-ALL OTHER	36,027	XXXXXX	44
45		4-124 ALL OTHER CAR TYPES	391	XXXXXX	45
46		4-125 TOTAL (lines 31-45)	639,099	XXXXXX	46
		4-13 PRIVATE LINE CARS - LOADED (H)			
47		4-130 BOX-PLAIN 40-FOOT		XXXXXX	47
48		4-131 BOX-PLAIN 50-FOOT AND LONGER	6,636	XXXXXX	48
49		4-132 BOX-EQUIPPED	28,133	XXXXXX	49
50		4-133 GONDOLA-PLAIN	41,369	XXXXXX	50
51		4-134 GONDOLA-EQUIPPED	14,439	XXXXXX	51
52		4-135 HOPPER-COVERED	305,926	XXXXXX	52
53		4-136 HOPPER-O/T-GENERAL SERVICE	17,421	XXXXXX	53
54		4-137 HOPPER-O/T-SPECIAL SERVICE	102,682	XXXXXX	54
55		4-138 REFRIGERATOR-MECHANICAL	2,374	XXXXXX	55
56		4-139 REFRIGERATOR-NON-MECHANICAL	687	XXXXXX	56
57		4-140 FLAT-TOFC/COFC	500,369	XXXXXX	57
58		4-141 FLAT-MULTI-LEVEL	211,152	XXXXXX	58
59		4-142 FLAT-GENERAL SERVICE	185	XXXXXX	59
60		4-143 FLAT-ALL OTHER	25,726	XXXXXX	60
61		4-144 TANK UNDER 22,000 GALLONS	100,374	XXXXXX	61
62		4-145 TANK - 22,000 GALLONS AND OVER	279,862	XXXXXX	62
63		4-146 ALL OTHER CAR TYPES	2,637	XXXXXX	63
64		4-147 TOTAL (lines 47-63)	1,639,972	XXXXXX	64

755. RAILROAD OPERATING STATISTICS

Line No.	Cross Check	Item description (a)	Freight train (b)	Pass. train (c)	Line No.
		4-15 PRIVATE LINE CARS-EMPTY (H)			
65		4-150 BOX-PLAIN 40-FOOT		XXXXXX	65
66		4-151 BOX-PLAIN 50-FOOT AND LONGER	6,787	XXXXXX	66
67		4-152 BOX-EQUIPPED	23,479	XXXXXX	67
68		4-153 GONDOLA-PLAIN	43,265	XXXXXX	68
69		4-154 GONDOLA-EQUIPPED	15,934	XXXXXX	69
70		4-155 HOPPER-COVERED	316,493	XXXXXX	70
71		4-156 HOPPER-O/T-GENERAL SERVICE	18,520	XXXXXX	71
72		4-157 HOPPER-O/T-SPECIAL SERVICE	103,674	XXXXXX	72
73		4-158 REFRIGERATOR-MECHANICAL	2,447	XXXXXX	73
74		4-159 REFRIGERATOR-NON-MECHANICAL	695	XXXXXX	74
75		4-160 FLAT-TOFC/COFC	55,428	XXXXXX	75
76		4-161 FLAT-MULTI-LEVEL	160,016	XXXXXX	76
77		4-162 FLAT-GENERAL SERVICE	200	XXXXXX	77
78		4-163 FLAT-ALL OTHER	32,262	XXXXXX	78
79		4-164 TANK UNDER 22,000 GALLONS	104,734	XXXXXX	79
80		4-165 TANK - 22,000 GALLONS AND OVER	295,562	XXXXXX	80
81		4-166 ALL OTHER CAR TYPES	3,255	XXXXXX	81
82		4-167 TOTAL (lines 65-81)	1,182,751	XXXXXX	82
83		4-17 WORK EQUIPMENT CAR-MILES	37,933	XXXXXX	83
84		4-18 NO PAYMENT CAR-MILES (I) *		XXXXXX	84
		4-19 TOTAL CAR-MILES BY TRAIN TYPE			
85		4-191 UNIT TRAINS	947,512	XXXXXX	85
86		4-192 WAY TRAINS	259,087	XXXXXX	86
87		4-193 THROUGH TRAINS	3,104,016	XXXXXX	87
88		4-194 TOTAL (lines 85-87)	4,310,615	XXXXXX	88
89		4-20 CABOOSE MILES	515	XXXXXX	89

* Total number of loaded miles 47,012 and empty miles - by roadrailer reported above on lines 29 and 45 respectively, rather than line 84.

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

755. RAILROAD OPERATING STATISTICS					
Line No.	Cross Check	Item description (a)	Freight train (b)	Pass. train (c)	Line No.
		6. GROSS TON MILES (Thousands) (K)			
98		6-01 ROAD LOCOMOTIVES	32,180,683		98
		6-02 FREIGHT TRAINS, CRS., CNTS. & CABOOSE			
99		6-020 UNIT TRAINS	78,671,802	XXXXXX	99
100		6-021 WAY TRAINS	20,461,259	XXXXXX	100
101		6-022 THROUGH TRAINS	268,304,739	XXXXXX	101
102		6-03 PASSENGER-TRAINS, CRS. & CNTS.			102
103		6-04 NON-REVENUE	2,477,514	XXXXXX	103
104		6-05 TOTAL (lines 98-103)	402,095,998		104
		7. TONS OF FREIGHT (Thousands)			
105		7-01 REVENUE	346,867	XXXXXX	105
106		7-02 NON-REVENUE	1,464	XXXXXX	106
107		7-03 TOTAL (lines 105, 106)	348,331	XXXXXX	107
		8. TON-MILES OF FREIGHT (Thousands) (L)			
108		8-01 REVENUE-ROAD SERVICE	190,473,282	XXXXXX	108
109		8-02 REVENUE-LAKE TRANSFER SERVICE		XXXXXX	109
110		8-03 TOTAL (lines 108, 109)	190,473,282	XXXXXX	110
111		8-04 NON-REVENUE-ROAD SERVICE	483,563	XXXXXX	111
112		8-05 NON-REVENUE-LAKE TRANSFER SERV.		XXXXXX	112
113		8-06 TOTAL (lines 111, 112)	483,563	XXXXXX	113
114		8-07 TOTAL-REV AND NON-REV (lines 110, 113)	190,956,845	XXXXXX	114
		9. TRAIN HOURS (M)			
115		9-01 ROAD SERVICE	3,618,177	XXXXXX	115
116		9-02 TRAIN SWITCHING	523,222	XXXXXX	116
117		10. TOTAL YARD SWITCHING HOURS (N)	2,010,607		117
		11. TRAIN-MILES WORK TRAINS (O)			
118		11-01 LOCOMOTIVES	784,295	XXXXXX	118
119		11-02 MOTORCARS		XXXXXX	119
		12. NUMBER OF LOADED FREIGHT CARS (P)			
120		12-01 UNIT TRAINS	1,569,328	XXXXXX	120
121		12-02 WAY TRAINS	4,373,921	XXXXXX	121
122		12-03 THROUGH TRAINS	5,824,685	XXXXXX	122
123		13. TOFC/COFC-NO. OF REV. TRLS. & CONT. LOADED & UNLOADED (Q)	7,087,682	XXXXXX	123
124		14. MULTI-LEVEL CARS-NO. OF MTR. VEH. LOADED AND UNLOADED (Q)	2,626,435	XXXXXX	124
125		15. TOFC/COFC-NO. OF REV TRLS. PICKED UP AND DELIVERED (R)	530,875	XXXXXX	125
		16. REVENUE TONS-MARINE TERMINAL (S)			
126		16-01 MARINE TERMINALS - COAL	15,094,714	XXXXXX	126
127		16-02 MARINE TERMINALS - ORE		XXXXXX	127
128		16-03 MARINE TERMINALS - OTHER		XXXXXX	128
129		16-04 TOTAL (lines 126-128)	15,094,714	XXXXXX	129
		17. NUMBER OF FOREIGN PER DIEM CARS ON LINE (T)			
130		17-01 SERVICEABLE	26,871	XXXXXX	130
131		17-02 UNSERVICEABLE	428	XXXXXX	131
132		17-03 SURPLUS		XXXXXX	132
133		17-04 TOTAL (lines 130-132)	27,299	XXXXXX	133
134		TOFC/COFC - Average No. of Units Loaded Per Car	4.61	XXXXXX	134

PTC Supplement

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

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

**TO THE
Surface Transportation Board
FOR THE
YEAR ENDED DECEMBER 31, 2016**

PTC 330. ROAD PROPERTY AND EQUIPMENT AND IMPROVEMENTS TO LEASED PROPERTY AND EQUIPMENT						
(Dollars in Thousands)						
Line No.	Cross No.	Account (a)	Balance at Beginning of year (b)	Expenditures during the year for original road & equipment & road extensions (c)	Expenditures during the year for purchase of existing lines, reorganizations, etc. (d)	Line No.
1		(2) Land for transportation purposes	13			1
2		(3) Grading				2
3		(4) Other right-of-way expenditures				3
4		(5) Tunnels and subways				4
5		(6) Bridges, trestles and culverts				5
6		(7) Elevated structures				6
7		(8) Ties				7
8		(9) Rail and other track material				8
9		(11) Ballast				9
10		(13) Fences, snowsheds and signs				10
11		(16) Station and office buildings				11
12		(17) Roadway buildings				12
13		(18) Water stations				13
14		(19) Fuel stations				14
15		(20) Shops and enginehouses				15
16		(22) Storage warehouses				16
17		(23) Wharves and docks				17
18		(24) Coal and ore wharves				18
19		(25) TOFC/COFC terminals				19
20		(26) Communications systems	75,770			20
21		(27) Signals and interlockers	417,194			21
22		(29) Power plants				22
23		(31) Power transmission systems				23
24		(35) Miscellaneous structures				24
25		(37) Roadway machines	52			25
26		(39) Public improvements - construction				26
27		(44) Shop machinery				27
28		(45) Power plant machinery				28
29		Other lease/rentals				29
30		TOTAL EXPENDITURES FOR ROAD	493,029			30
31		(52) Locomotives	138,100			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	383			37
38		(59) Computer systems & word processing equipment	17,628			38
39		TOTAL EXPENDITURES FOR EQUIPMENT	156,111			39
40		(76) Interest during construction				40
41		(80) Other elements of investment				41
42		(90) Construction work in progress	317,075			42
43		GRAND TOTAL	966,215			43

NOTES AND REMARKS

(Dollars in Thousands)

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

	Balance at beginning of year	Current year	Balance at close of year
Meteorcomm LLC	\$ 66,650	\$ 6,500	\$ 73,150
PTC-220 LLC	\$ 7,933	\$ 1,015	\$ 8,948

In addition, Conrail, Inc. has invested a total of \$8,273 for the purpose of implementing PTC through December 31, 2016, of which \$4,135 was made in 2016.

These investments are not included in the above Schedule 330.

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

Line No.	Cross No.	Expenditures for additions during the year (e)	Credits for property retired during the year (f)	Net changes during the year (g)	Balance at close of year (h)	Line No.
1						1
2						2
3						3
4						4
5						5
6						6
7						7
8						8
9						9
10						10
11						11
12						12
13						13
14						14
15						15
16						16
17						17
18						18
19						19
20		8,362		8,362	84,132	20
21		211,220		211,220	628,414	21
22						22
23						23
24						24
25					52	25
26						26
27						27
28						28
29						29
30		219,585		219,585	712,614	30
31		22,443	138	22,305	160,405	31
32						32
33						33
34						34
35						35
36						36
37					383	37
38		52,399		52,399	70,027	38
39		74,842	138	74,704	230,815	39
40						40
41						41
42		(29,216)		(29,216)	287,859	42
43		265,211	138	265,073	1,231,288	43

PTC 332. DEPREC. BASE AND RATES - ROAD AND EQUIPMENT OWNED 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, dividing that total by the total depreciation base for the same month. The depreciation base should not include cost of equipment used, but not owned, when the rents are included in rent for equipment and account nos. 31-22-00, 31-23-00, 31-25-00, 31-21-00, 35-21-00, 35-23-00, 35-22-00, and 35-25-00. It should include cost of equipment owned and leased to others when the rents therefrom are included in the rent for equipment, accounts nos. 32-21-00, 32-22-00, 32-23-00, 32-25-00, 36-21-00, 36-22-00, 36-23-00, and 36-25-00., inclusive. Composite rates used should be those prescribed or authorized by the Board, except that where the use of component rates has been authorized, the composite rates to be shown for the respective primary accounts should be recomputed from the December charges developed by the use of the authorized rates. If any changes in rates were effective during the year, give particulars in a footnote.
- 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 accounts 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 effected 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)		
	ROAD							
1	(3) Grading							1
2	(4) Other right-of-way expenditures							2
3	(5) Tunnels and subways							3
4	(6) Bridges, trestles and culverts							4
5	(7) Elevated structures							5
6	(8) Ties							6
7	(9) Rail and other track material							7
8	(11) Ballast							8
9	(13) Fences, snowsheds and signs							9
10	(16) Station and office buildings							10
11	(17) Roadway buildings							11
12	(18) Water stations							12
13	(19) Fuel stations							13
14	(20) Shops and enginehouses				NOT APPLICABLE - 5% RULE			14
15	(22) Storage warehouses							15
16	(23) Wharves and docks							16
17	(24) Coal and ore wharves							17
18	(25) TOFC/COFC terminals							18
19	(26) Communications systems	75,770	75,770	3.84%				19
20	(27) Signals and interlockers	417,194	584,402	1.91%				20
21	(29) Power plants							21
22	(31) Power transmission systems							22
23	(35) Miscellaneous structures							23
24	(37) Roadway machines	52	52	5.28%				24
25	(39) Public improvements - construction							25
26	(44) Shop machinery							26
27	(45) Power plant machinery							27
28	All other road accounts							28
29	Amortization (other than def. projects)							29
30	TOTAL ROAD	493,016	660,224	2.13%				30
31	(52) Locomotives	138,100	160,405	5.70%				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	383	383	9.00%				37
38	(59) Computer systems & WP equipment	17,628	17,628	13.45%				38
39	TOTAL EQUIPMENT	156,111	178,416	6.47%				39
40	GRAND TOTAL	649,127	838,640	3.06%			NA	40

NOTES AND REMARKS

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

PTC 335. ACCUMULATED DEPRECIATION - ROAD AND EQUIPMENT OWNED AND USED
(Dollars in Thousands)

1. Disclose the required information regarding credits and debits to Account No. 735, "Accumulated Depreciation: Road and Equipment Property" during the year relating to owned and used road and equipment. Include entries for depreciation of equipment owned but not used when the resulting rents are included in the "Lease Rentals - Credit - Equipment" accounts and "Other Rents - Credit - Equipment" accounts. Exclude any entries for depreciation of equipment that is used but not owned when the resulting rents are included in "Lease Rental - Debit - Equipment" accounts and "Other Rents - Debit - Equipment" accounts.
2. If any data are included in columns (d) or (f), explain the entries in detail.
3. A debit balance in columns (b) or (g) for any primary account should be designated "Dr."
4. If there is any inconsistency between credits to reserves as shown in column (c) and charges to operating expenses, a full explanation should be given.
5. Enter amounts representing amortization under an authorized amortization program other than for defense projects on lines 29 and 39.

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO RESERVE During the year		DEBITS TO RESERVE During the year		Balance at close of year (g)	Line No.
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
ROAD									
1		(3) Grading							1
2		(4) Other right-of-way expenditures							2
3		(5) Tunnels and subways							3
4		(6) Bridges, trestles and culverts							4
5		(7) Elevated structures							5
6		(8) Ties							6
7		(9) Rail and other track material							7
8		(11) Ballast							8
9		(13) Fences, snowsheds and signs							9
10		(16) Station and office buildings							10
11		(17) Roadway buildings							11
12		(18) Water stations							12
13		(19) Fuel stations							13
14		(20) Shops and enginehouses							14
15		(22) Storage warehouses							15
16		(23) Wharves and docks							16
17		(24) Coal and ore wharves							17
18		(25) TOFC/COFC terminals							18
19		(26) Communications systems	5,954	2,910				8,864	19
20		(27) Signals and interlockers	16,831	9,359				26,190	20
21		(29) Power plants							21
22		(31) Power transmission systems							22
23		(35) Miscellaneous structures							23
24		(37) Roadway machines	8	2				10	24
25		(39) Public improvements - const.							25
26		(44) Shop machinery							26
27		(45) Power plant machinery							27
28		All other road accounts							28
29		Amortization (adjustments)							29
30		TOTAL ROAD	22,793	12,271				35,064	30
EQUIPMENT									
31		(52) Locomotives	14,601	7,212			138	21,675	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	119	34				153	37
38		(59) Computer systems & WP equip.	5,269	2,372				7,641	38
39		Amortization (adjustments)							39
40		TOTAL EQUIPMENT	19,989	9,618			138	29,469	40
41		GRAND TOTAL	42,782	21,889			138	64,533	41

NOTES AND REMARKS

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

PTC 352B. INVESTMENT IN RAILROAD PROPERTY USED IN TRANSPORTATION SERVICE (By Property 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	16				1
2		(3) Grading					2
3		(4) Other right-of-way expenditures					3
4		(5) Tunnels and subways					4
5		(6) Bridges, trestles and culverts					5
6		(7) Elevated structures					6
7		(8) Ties					7
8		(9) Rail and other track material					8
9		(11) Ballast					9
10		(13) Fences, snowsheds and signs					10
11		(16) Station and office buildings					11
12		(17) Roadway buildings					12
13		(18) Water stations					13
14		(19) Fuel stations					14
15		(20) Shops and enginehouses					15
16		(22) Storage warehouses					16
17		(23) Wharves and docks					17
18		(24) Coal and ore wharves					18
19		(25) TOFC/COFC terminals					19
20		(26) Communications systems	84,132				20
21		(27) Signals and interlockers	628,414				21
22		(29) Power plants					22
23		(31) Power transmission systems					23
24		(35) Miscellaneous structures					24
25		(37) Roadway machines	52				25
26		(39) Public improvements - construction					26
27		(44) Shop machinery					27
28		(45) Power plant machinery					28
29		Leased property (capitalized rentals)					29
30		Other (specify and explain)					30
31		TOTAL ROAD	712,614				31
32		(52) Locomotives	160,405				32
33		(53) Freight train cars					33
34		(54) Passenger train cars					34
35		(55) Highway revenue equipment					35
36		(56) Floating equipment					36
37		(57) Work equipment					37
38		(58) Miscellaneous equipment	383				38
39		(59) Computer systems & WP equipment	70,027				39
40		TOTAL EQUIPMENT	230,815				40
41		(76) Interest during construction					41
42		(80) Other elements of investment					42
43		(90) Construction work in progress	287,859				43
44		GRAND TOTAL	1,231,288				44

NOTES AND REMARKS

See Notes and Remarks on page 82 for additional information.

PTC 410. RAILWAY OPERATING EXPENSES

(Dollars in Thousands)

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

Line No.	Cross Check	Name of railway operating expense account (a)	FREIGHT					Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)			
		WAY AND STRUCTURES:								
		ADMINISTRATION:								
1		Track								1
2		Bridge and Building								2
3		Signal		23	29	60	112		112	3
4		Communication								4
5		Other								5
		TOTAL ADMINISTRATION		23	29	60	112		112	
		REPAIR AND MAINTENANCE:								
6		Roadway - Running								6
7		Roadway - Switching								7
8		Tunnels and Subways - Running								8
9		Tunnels and Subways - Switching								9
10		Bridges and Culverts - Running								10
11		Bridges and Culverts - Switching								11
12		Ties - Running								12
13		Ties - Switching								13
14		Rail and Other Track Material - Running								14
15		Rail and Other Track Material - Switching								15
16		Ballast - Running								16
17		Ballast - Switching								17
18		Road Property Damaged - Running								18
19		Road Property Damaged - Switching								19
20		Road Property Damaged - Other								20
21		Signals and Interlockers - Running		2			2		2	21
22		Signals and Interlockers - Switching								22
23		Communications Systems		2			2		2	23
24		Power Systems								24
25		Highway Grade Crossings- Running								25
26		Highway Grade Crossings- Switching								26
27		Station and Office Buildings			37		37		37	27
28		Shop Buildings - Locomotives			8		8		8	28
29		Shop Buildings - Freight Cars			9		9	N/A	9	29
30		Shop Buildings - Other Equipment								30

PTC 410. RAILWAY OPERATING EXPENSES - Continued

(Dollars in Thousands)

Line No.	Cross Check	Name of railway operating expense account (a)	FREIGHT					Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)			
		REPAIR AND MAINTENANCE - Continued:								
101		Locomotive Servicing Facilities								101
102		Miscellaneous Buildings and Structures			23			23	23	102
103		Coal Terminals						N/A		103
104		Ore Terminals						N/A		104
105		Other Marine Terminals						N/A		105
106		TOFC/COFC Terminals						N/A		106
107		Motor Vehicle Loading and Distribution Facilities						N/A		107
108		Facilities for Other Specialized Service Operations						N/A		108
109		Roadway Machines								109
110		Small Tools and Supplies		1				1	1	110
111		Snow Removal								111
112		Fringe Benefits - Running								112
113		Fringe Benefits - Switching								113
114		Fringe Benefits - Other								114
115		Casualties and Insurance - Running								115
116		Casualties and Insurance - Switching								116
117		Casualties and Insurance - Other								117
118	*	Lease Rentals - Debit- Running								118
119	*	Lease Rentals - Debit - Switching			162			162	162	119
120	*	Lease Rentals - Debit - Other								120
121	*	Lease Rentals - (Credit) - Running								121
122	*	Lease Rentals - (Credit) - Switching								122
123	*	Lease Rentals - (Credit) - Other								123
124		Joint Facility Rent - Debit - Running								124
125		Joint Facility Rent - Debit - Switching								125
126		Joint Facility Rent - Debit - Other								126
127	*	Joint Facility Rent - (Credit) - Running								127
128	*	Joint Facility Rent - (Credit) - Switching								128
129	*	Joint Facility Rent - (Credit) - Other								129
130	*	Other Rents - Debit -Running								130
131	*	Other Rents - Debit -Switching								131
132	*	Other Rents - Debit -Other								132
133	*	Other Rents - (Credit) -Running								133
134	*	Other Rents - (Credit) -Switching								134
135	*	Other Rents - (Credit) -Other								135

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

Line No.	Cross Check	Name of railway operating expense account (a)	FREIGHT					Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)			
		REPAIR AND MAINTENANCE - Continued:								
136	*	Depreciation - Running								136
137	*	Depreciation - Switching								137
138	*	Depreciation - Other				12,271	12,271		12,271	138
139		Joint Facility - Debit - Running								139
140		Joint Facility - Debit - Switching								140
141		Joint Facility - Debit - Other								141
142		Joint Facility - (Credit) - Running								142
143		Joint Facility - (Credit) - Switching								143
144		Joint Facility - (Credit) - Other								144
145		Dismantling Retired Road Property - Running								145
146		Dismantling Retired Road Property - Switching								146
147		Dismantling Retired Road Property - Other								147
148		Other - Running								148
149		Other - Switching								149
150		Other - Other								150
		TOTAL REPAIR AND MAINTENANCE		5	239	12,271	12,515		12,515	
151		TOTAL WAY AND STRUCTURES		28	268	12,331	12,627		12,627	151
		EQUIPMENT:								
		LOCOMOTIVES:								
201		Administration								201
202	*	Repair and Maintenance		360	403		763		763	202
203	*	Machinery Repair								203
204		Equipment Damaged								204
205		Fringe Benefits								205
206		Other Casualties and Insurance								206
207	*	Lease Rentals - Debit								207
208	*	Lease Rentals - (Credit)								208
209		Joint Facility Rent - Debit								209
210	*	Joint Facility Rent - (Credit)								210
211	*	Other Rents - Debit								211
212	*	Other Rents - (Credit)								212
213	*	Depreciation				7,212	7,212		7,212	213
214		Joint Facility - Debit								214
215		Joint Facility - (Credit)								215
216	*	Repairs Billed to Others - (Credit)								216
217		Dismantling Retired Property								217

PTC 410. RAILWAY OPERATING EXPENSES - Continued

(Dollars in Thousands)

Line No.	Cross Check	Name of railway operating expense account (a)	FREIGHT					Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)			
218		LOCOMOTIVES - Continued: Other							218	
219		TOTAL LOCOMOTIVES		360	403	7,212	7,975		7,975	219
220		FREIGHT CARS: Administration						N/A		220
221	*	Repair and Maintenance						N/A		221
222	*	Machinery Repair						N/A		222
223		Equipment Damaged						N/A		223
224		Fringe Benefits						N/A		224
225		Other Casualties and Insurance						N/A		225
226	*	Lease Rentals - Debit						N/A		226
227	*	Lease Rentals - (Credit)						N/A		227
228		Joint Facility Rent - Debit						N/A		228
229	*	Joint Facility Rent - (Credit)						N/A		229
230	*	Other Rents - Debit						N/A		230
231	*	Other Rents - (Credit)						N/A		231
232	*	Depreciation						N/A		232
233		Joint Facility - Debit						N/A		233
234		Joint Facility - (Credit)						N/A		234
235	*	Repairs Billed to Others - (Credit)						N/A		235
236		Dismantling Retired Property						N/A		236
237		Other						N/A		237
238		TOTAL FREIGHT CARS						N/A		238
301		OTHER EQUIPMENT: Administration								301
302	*	Repair and Maintenance: Trucks, Trailers and Containers - Revenue Service						N/A		302
303	*	Floating Equipment - Revenue Service						N/A		303
304	*	Passenger and Other Revenue Equipment								304
305	*	Computer Systems and Word Processing Equipment			2,910		2,910		2,910	305
306	*	Machinery								306
307	*	Work and Other Non-Revenue Equipment			22		22		22	307
308		Machinery								308
309		Fringe Benefits								309
310		Other Casualties and Insurance								310
311	*	Lease Rentals - Debit								311

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

Line No.	Cross Check	Name of railway operating expense account (a)	FREIGHT					Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)			
		OTHER EQUIPMENT - Continued:								
312	*	Lease Rentals - (Credit)								312
313		Joint Facility Rent - Debit								313
314	*	Joint Facility Rent - (Credit)								314
315	*	Other Rents - Debit								315
316	*	Other Rents - (Credit)								316
317	*	Depreciation				2,406	2,406		2,406	317
318		Joint Facility - Debit								318
319		Joint Facility - (Credit)								319
320	*	Repairs Billed to Others - (Credit)								320
321		Dismantling Retired Property								321
322		Other		1			1		1	322
323		TOTAL OTHER EQUIPMENT		1	2,932	2,406	5,339		5,339	323
324		TOTAL EQUIPMENT		361	3,335	9,618	13,314		13,314	324
		TRANSPORTATION:								
		TRAIN OPERATIONS:								
401		Administration			8		8		8	401
402		Engine Crews								402
403		Train Crews								403
404		Dispatching Trains								404
405		Operating Signals and Interlockers								405
406		Operating Drawbridges								406
407		Highway Crossing Protection								407
408		Train Inspection and Lubrication								408
409	*	Locomotive Fuel								409
410		Electric Power Purchased or Produced for Motive Power								410
411		Servicing Locomotives								411
412		Freight Lost or Damaged - Solely Related								412
413		Clearing Wrecks								413
414		Fringe Benefits								414
415		Other Casualties and Insurance								415
416		Joint Facility - Debit								416
417		Joint Facility - (Credit)								417
418		Other								418
419		TOTAL TRAIN OPERATIONS			8		8		8	419

PTC 410. RAILWAY OPERATING EXPENSES - Continued

(Dollars in Thousands)

Line No.	Cross Check	Name of railway operating expense account (a)	FREIGHT					Passenger (g)	Total (h)	Line No.	
			Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)				
		YARD OPERATIONS:									
420		Administration								420	
421		Switch Crews								421	
422		Controlling Operations								422	
423		Yard and Terminal Clerical								423	
424		Operating Switches, Signals, Retarders and Humps								424	
425	*	Locomotive Fuel								425	
426		Electric Power Purchased or Produced for Motive Power								426	
427		Servicing Locomotives								427	
428		Freight Lost or Damaged - Soley Related								428	
429		Clearing Wrecks								429	
430		Fringe Benefits								430	
431		Other Casualties and Insurance								431	
432		Joint Facility - Debit								432	
433		Joint Facility - (Credit)								433	
434		Other								434	
435		TOTAL YARD OPERATIONS								435	
		TRAIN AND YARD OPERATIONS COMMON:									
501		Cleaning Car Interiors								501	
502		Adjusting and Transferring Loads						N/A		502	
503		Car Loading Devices and Grain Doors						N/A		503	
504		Freight Lost or Damaged - All Other								504	
505		Fringe Benefits								505	
506		TOTAL TRAIN AND YARD OPERATIONS COMMON								506	
		SPECIALIZED SERVICES OPERATIONS:									
507	*	Administration			73			73	N/A	73	507
508	*	Pickup and Delivery and Marine Line Haul						N/A		508	
509	*	Loading and Unloading and Local Marine						N/A		509	
510	*	Protective Services						N/A		510	
511	*	Freight Lost or Damaged - Solely Related						N/A		511	
512	*	Fringe Benefits						N/A		512	
513	*	Casualties and Insurance						N/A		513	
514	*	Joint Facility - Debit						N/A		514	
515	*	Joint Facility - (Credit)						N/A		515	
516	*	Other						N/A		516	
517	*	TOTAL SPECIALIZED SERVICES OPERATIONS			73			73	N/A	73	517

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

Line No.	Cross Check	Name of railway operating expense account (a)	FREIGHT					Passenger (g)	Total (h)	Line No.	
			Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)				
		ADMINISTRATIVE SUPPORT OPERATIONS:									
518		Administration								518	
519		Employees Performing Clerical and Accounting Functions								519	
520		Communications Systems Operation								520	
521		Loss and Damage Claims Processing								521	
522		Fringe Benefits								522	
523		Casualties and Insurance								523	
524		Joint Facility - Debit								524	
525		Joint Facility - (Credit)								525	
526		Other								526	
527		TOTAL ADMINISTRATIVE SUPPORT OPERATIONS								527	
528		TOTAL TRANSPORTATION			81			81		81	528
		GENERAL AND ADMINISTRATIVE:									
601		Officers - General Administration								601	
602		Accounting, Auditing and Finance								602	
603		Management Services and Data Processing			414			414		414	603
604		Marketing								604	
605		Sales								605	
606		Industrial Development						N/A		606	
607		Personnel and Labor Relations								607	
608		Legal and Secretarial			18			18		18	608
609		Public Relations and Advertising								609	
610		Research and Development								610	
611		Fringe Benefits								611	
612		Casualties and Insurance								612	
613		Writedown of Uncollectible Accounts								613	
614		Property Taxes								614	
615		Other Taxes Except on Corporate Income or Payrolls					2	2		2	615
616		Joint Facility - Debit								616	
617		Joint Facility - (Credit)								617	
618		Other			8,343			8,343		8,343	618
619		TOTAL GENERAL AND ADMINISTRATIVE			8,775		2	8,777		8,777	619
620	*	TOTAL CARRIER OPERATING EXPENSES		389	12,459		21,951	34,799		34,799	620

PTC 700. MILEAGE OPERATED AT CLOSE OF YEAR

Line No.	Class (a)	Proportion owned or leased by respondent (b)	Running tracks, passing tracks, cross-overs, etc.				Miles of way switching tracks (g)	Miles of yard switching tracks (h)	TOTAL (i)	Line No.
			Miles of road (c)	Miles of second main track (d)	Miles of all other main tracks (e)	Miles of passing tracks, cross-overs, and turnouts (f)				
1									1	
2									2	
3									3	
4									4	
5									5	
6									6	
7									7	
8									8	
9									9	
10									10	
11									11	
12									12	
13									13	
14									14	
15									15	
16									16	
17									17	
18									18	
19									19	
20									20	
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32									32	
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36									36	
37									37	
38									38	
39									39	
40									40	
41									41	
42									42	
43									43	
44									44	
45									45	
46									46	
47									47	
48									48	
49									49	
50									50	
51									51	
52									52	
53									53	
54									54	
55									55	
56									56	
57	TOTAL		N/A	N/A	N/A	N/A	N/A	N/A	N/A	57
58	Miles of electrified road or track included in the preceding grand total									

NOTES AND REMARKS

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

96

Line No.	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)	
				New units purchased or built (c)	New units leased from others (d)	Rebuilt units acquired and rebuilt units rewritten into property accounts (e)	All other units including reclassification and second hand units purchased or leased from others (f)						
1		Locomotive Units Diesel-freight units		743					743			(HP) 3,251,100	1
2		Diesel-passenger units											2
3		Diesel-multiple purpose units		5					5			15,000	3
4		Diesel-switching units											4
5	*	TOTAL (lines 1 to 4) units		748					748			3,266,100	5
6	*	Electric locomotives											6
7	*	Other self-powered units											7
8	*	TOTAL (lines 5, 6, and 7)		748					748			3,266,100	8
9	*	Auxiliary units											9
10	*	TOTAL LOCOMOTIVE UNITS (lines 8 and 9)		748					748			3,266,100	10

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

Line No.	Cross Check	Type or design of units (a)	Before 1/1/1995 (b)	Between 1/1/1995 and 12/31/1999 (c)	Between 1/1/2000 and 12/31/2004 (d)	Between 1/1/2005 and 12/31/2009 (e)	Between 1/1/2010 and 12/31/2014 (f)	During Calendar Year					Line No.
								2016 (g)	2016 (h)	2017 (i)	2018 (j)	2019 (k)	
11	*	Diesel						748				748	11
12	*	Electric											12
13	*	Other self-powered units											13
14	*	TOTAL (lines 11 to 13)						748				748	14
15	*	Auxiliary units											15
16	*	TOTAL LOCOMOTIVE UNITS (lines 14 and 15)						748				748	16

NOTES AND REMARKS

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Road Initials: NS Rail Year 2016

PTC 710. INVENTORY OF EQUIPMENT (Continued)														
UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS														
Line No.	Cross Check	Type or design of units (a)	Units in service of respondent at beginning of year (b)	Changes During the Year				Units retired from service of respondent whether owned or leased, including reclassification (g)	Units at Close of Year					Line No.
				Units Installed			All other units including reclassification and second hand units purchased or leased from others (f)		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)								
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) Dining, grill, & tavern cars (All class D, PD)												20
22		Nonpassenger carrying cars (All class B, CSB, M, PSA, IA)												22
23		TOTAL (Lines 17 to 22)												23
24		Self-Propelled Electric passenger cars (EP, ET)												24
25		Electric combined cars (EC)												25
26		Internal combustion rail motorcars (ED, EG)												26
27		Other self-propelled cars (Specify types)												27
28		TOTAL (Lines 24 to 27)												28
29		TOTAL (Lines 23 and 28)												29
30		Company Service Cars Business cars (PV)												30
31		Board outfit cars (MWX)												31
32		Derrick & snow removal cars (MWU, MWV, MWW, MWK)												32
33		Dump and ballast cars (MWB, MWD)												33
34		Other maintenance and service equipment cars												34
35		TOTAL (Lines 30 to 34)												35

PTC 710. INVENTORY OF EQUIPMENT - Continued									
Instructions for reporting freight-train car data.									
1. Give particulars of each of the various classes of equipment which respondent owned or leased during the year.									
2. In Column (d) give the number of units purchased or built in company shops. In Column (e) give the number of new units leased from others. The term "new" means a unit placed in service for the first time on any railroad.									
3. Units leased to others for a period of one year or more are reportable in Column (n). Units temporarily out of respondent's service and rented to others for less than one year are to be included in Column (i). Units rented from others for a period less than one year should not be included in Column (j).									
UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS									
Line No.	Cross Check	Class of equipment and car designations (a)	Units in service of respondent at beginning of year		Changes during the year				Line No.
			Time-mileage cars (b)	All Others (c)	Units installed				
					New units purchased or built (d)	New or rebuilt units leased from others (e)	Rebuilt units acquired and rebuilt units rewritten into property accounts (f)	All other units, including reclassification and second hand units purchased or leased from others (g)	
36		FREIGHT TRAIN CARS Plain box cars - 40' (B1_, B2_)							36
37		Plain box cars - 50' and longer (B3_0-7, B4_0-7, B5_, B6_ B7_, B8_)							37
38		Equipped box cars (All Code A, Except A_5_)							38
39		Plain gondola cars (All Codes G & J, J_1, J_2, J_3, J_4)							39
40		Equipped gondola cars (All Code E)							40
41		Covered hopper cars (C_1, C_2, C_3, C_4)							41
42		Open top hopper cars - general service (All Code H)							42
43		Open top hopper cars - special service (J_O), and All Code K)							43
44		Refrigerator cars - mechanical (R_5_, R_6_, R_7_, R_8_, R_9_)							44
45		Refrigerator cars - nonmechanical (R_0_, R_1_, R_2_)							45
46		Flat cars - TOFC/COFC (All Code P, Q, & S, Except Q8_)							46
47		Flat cars - multilevel (All Code V)							47
48		Flat cars - general service (F10_, F20_, F30_)							48
49		Flat cars - other (F_1_, F_2_, F_3_, F_4_, F_5_, F_6_, F_8_, F40_)							49
50		Tank cars - under 22,000 gal. (T_0, T_1, T_2, T_3, T_4, T_5)							50
51		Tank cars - 22,000 gal. and over (T_6, T_7, T_8, T_9)							51
52		All other freight cars (A_5_, F_7_, All Code L & Q8_)							52
53		TOTAL (Lines 36 to 52)							53
54		Caboose (All Code M-930)	N/A						54
55		TOTAL (Lines 53 and 54)							55

PTC 710. INVENTORY OF EQUIPMENT - Continued

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

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

Line No.	Cross Check	Units at close of year							
		Changes during year (concluded)		Leased from others (j)	Total in service of respondent (col. (i) & (j))		Aggregate capacity of units reported in col (k) & (l) (see ins. 4) (m)	Leased to Others (n)	Line No.
		Units retired from service of respondent whether owned or leased including reclassification (h)	Owned and used (i)		Time-mileage cars (k)	All Others (l)			
36									36
37									37
38									38
39									39
40									40
41									41
42									42
43									43
44									44
45									45
46									46
47									47
48									48
49									49
50									50
51									51
52									52
53									53
54						N/A		N/A	54
55									55

PTC 710. INVENTORY OF EQUIPMENT - Continued

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

Line No.	Cross Check	Class of equipment and car designations (a)	Units in service of 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_, I-6)							60
61		Flat bed (U3_, Z3_)							61
62		Open bed (U4_, Z4_)							62
63		Mechanical refrigerator (U5_, Z5_)							63
64		Bulk hopper (U0_, Z0_)							64
65		Insulated (U7_, Z7_)							65
66		Tank (Z0_, U6_) (See note)							66
67		Other trailer and container (Special equipped dry van U9_, Z8_, Z9_)							67
68		Tractor							68
69		Truck							69
70		TOTAL (Lines 59 to 69)							70

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

NOTES AND REMARKS

PTC 710. INVENTORY OF EQUIPMENT - Concluded

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

Line No.	Cross Check	Changes during year (concluded) Units retired from service of respondent whether owned or leased including reclassification (h)	Units at close of year						
			Owned and used (i)	Leased from others (j)	Total in service of respondent (col. (i) & (j))		Aggregate capacity of units reported in col (k) & (l) (see ins. 4) (m)	Leased to Others (n)	Line No.
					Per diem (k)	All Others (l)			
56					N/A				56
57					N/A				57
58					N/A				58
59									59
60									60
61									61
62									62
63									63
64									64
65									65
66									66
67									67
68									68
69									69
70									70

NOTES AND REMARKS

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PTC 710S. UNIT COST OF EQUIPMENT INSTALLED DURING THE YEAR

(Dollars in Thousands)

1. Give particulars, as requested, separately, for the various classes of new units and rebuilt units of equipment installed by respondent during the year. If information regarding the cost of any units installed is not complete at time of filing of this report, the units should be omitted, but reference to the number of units omitted should be given in a footnote, the details as to cost to be given in the report of the following year. The cost of units under construction at the close of the year should not be reflected in this schedule even though part of the cost appears in the property account for the year. Indicate in column (e) whether an installation represents equipment purchased (P), built or rebuilt by contract in outside railroad shops (C), or built or rebuilt in company or system shops (S) including units acquired through capitalized leases (L).
2. In column (a) list each class or type of locomotive unit, car or TOFC/COFC equipment on a separate line. By class is meant the standard classification used to distinguish types of locomotive units, freight cars or other equipment adopted by the Association of American Railroads, and should include physical characteristics requested by Schedule 710. Locomotive units should be identified as to power source, wheel arrangement, and horsepower per unit, such as multiple-purpose diesel locomotive A units (B-B), 2500 HP. Cars should be identified as to special construction or service characteristics, such as aluminum-covered hopper car (LO), steel boxcars-special service (XAP). For TOFC/COFC, show type of equipment as enumerated in Schedule 710.
3. In column (c) show the total weight in tons of 2,000 pounds. The weight of the equipment acquired should be the weight empty.
4. The cost should be the complete cost as entered on the ledger, including foreign line freight charges and handling charges.
5. Data for this schedule should be confined to the units reported in Schedule 710, columns (c) and (e) for locomotive units, passenger-train cars and company service cars and columns (d) and (f) for freight train cars, floating equipment and highway revenue equipment. Disclose new units in the upper section of this schedule. Disclose rebuilt units acquired or rewritten into the respondent's accounts in the lower section. The term "new" as used herein shall mean a unit or units placed in service for the first time on any railroad.
6. All unequipped boxcars acquired in whole or part with incentive per diem funds should be reported on separate lines and be appropriately identified by footnote or sub-heading.

NEW UNITS

Line No.	Class of equipment (a)	Number of Units (b)	Total Weight (Tons) (c)	Total Cost (d)	Method of Acquisition (see instructions) (e)	Line No.
1	Diesel-Freight Locomotives	743	154,469	58,113	P	1
2	Diesel-Multipurpose Locomotives	5	968	98	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	TOTAL	748	155,437	58,211	N/A	25

REBUILT UNITS

26						26
27						27
28						28
29						29
30						30
31						31
32						32
33						33
34						34
35						35
36						36
37						37
38	TOTAL	N/A	N/A	N/A	N/A	38
39	GRAND TOTAL	748	155,437	58,211	N/A	39

NOTES AND REMARKS

GENERAL INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE PTC 720

1. For purposes of these schedules, the track categories are defined as follows:

Track category 1

A - Freight density of 20 million or more gross ton-miles per track mile per year (include passing tracks, turnouts, and crossovers)

B - Freight density of less than 20 million gross ton-miles per track mile per year, but at least 5 million (include passing tracks, turnouts, and crossovers)

C - Freight density of less than 5 million gross ton-miles per track mile per year, but at least 1 million (include passing tracks, turnouts, and crossovers)

D - Freight density of less than 1 million gross ton-miles per track mile per year (include passing tracks, turnouts, and crossovers)

E - Way and yard switching tracks (passing tracks, crossovers and turnouts shall be included in categories A, B, C, D, F, and potential abandonments, as appropriate).

F - Track over which any passenger service is provided (other than potential abandonments). Mileage should be included within track categories A through E unless it is dedicated entirely to passenger service category F

Potential abandonments - Route segments identified by railroads as potentially subject to abandonment as required by Section 10903 of the ICC Termination Act of 1995.

2. This schedule should include all class 1, 2, 3, or 4 track from schedule 700 that is maintained by the respondent (class 5 track is assumed to be maintained by others).
3. If, for two consecutive years, a line segment classified in one track category maintains a traffic density which would place it in another, it shall be reclassified into that category as of the beginning of the second year.
4. Traffic density related to passenger service shall not be included in the determination of the track category of a line segment.

720. TRACK AND TRAFFIC CONDITIONS

1. Disclose the requested information pertaining to track and traffic conditions.

Line No.	Track category	Mileage of tracks at end of period (whole numbers)	Average annual traffic density in millions of gross ton-miles per track-mile* (use two decimal places)	Average running speed limit (use two decimal places)	Track miles under slow orders at the end of period	Line No.
	(a)	(b)	(c)	(d)	(e)	
1	A	-	N/A	N/A	-	1
2	B	-	N/A	N/A	-	2
3	C	-	N/A	N/A	-	3
4	D	-	N/A	N/A	-	4
5	E	-	XXXXXXXXXX	XXXXXXXXXX	N/A	5
6	TOTAL	-	N/A	N/A	-	6
7	F	-	XXXXXXXXXX	XXXXXXXXXX	N/A	7
8	Potential abandonments	-				8

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

Footnote: PTC Grants
(Dollars in thousands)

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

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

NOTES AND REMARKS

VERIFICATION

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

OATH

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

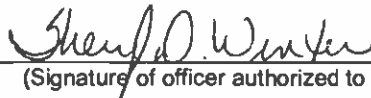
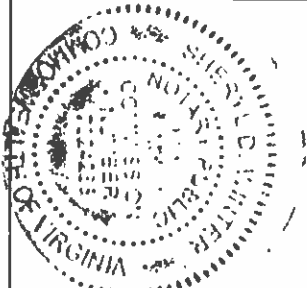
Commonwealth of Virginia
City of Norfolk

Thomas E. Hurlbut makes oath and states that he is Vice President and Controller of Norfolk Southern Combined Railroad Subsidiaries (see page 4 of STB Annual Report R-1); that it is his duty to have supervision over the books of accounts of the respondent and to control the manner in which such books are kept; that he knows that such books have been kept in good faith during the period covered by this report; that he knows that the entries contained in this report relating to accounting matters that have been prepared in accordance with the provisions of the Uniform System of Accounts for Railroad Companies and other accounting and reporting directives of the Surface Transportation Board; that he believes that all other statements of fact contained in this report are true, and that this report is a correct and complete statement, accurately taken from the books and records, of the business and affairs of the above-named respondent during the period of time from and including January 1, 2016, to and including December 31, 2016.



(Signature of affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and City above named, this 31st day of March, 2017. My commission expires July 31, 2018.



(Signature of officer authorized to administer oaths)

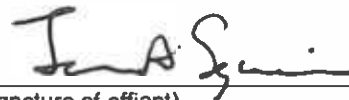
Commission ID No. 7024286
My Commission Expires 07/31/2018

SUPPLEMENTAL OATH

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

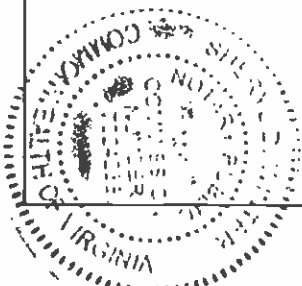
Commonwealth of Virginia
City of Norfolk

James A. Squires makes oath and states that he is Chief Executive Officer of Norfolk Southern Combined Railroad Subsidiaries (see page 4 of STB Annual Report R-1); that he has carefully examined the foregoing report; that he believes that all statements of fact contained in the said report are true; and that the said report is a correct and complete statement of the business and affairs of the above-named respondent and the operations of its property during the period of time from and including January 1, 2016, to and including December 31, 2016.



(Signature of affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and City above named, this 31st day of March, 2017. My commission expires July 31, 2018.



(Signature of officer authorized to administer oaths)

Commission ID No. 7024286
My Commission Expires 07/31/2018

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

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

CORRECTIONS

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

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