

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, 2015**

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, 2015

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 9.

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

STOCKHOLDERS REPORTS

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

Check appropriate box:

Two copies are attached to this report.

Two copies will be submitted

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

C. VOTING POWERS AND ELECTIONS

1. State the par value of each share of stock: Common, \$ No Par per share; first preferred, \$ ____ per share; second preferred \$ ____ per share; debenture stock, \$ ____ per share.
2. State whether or not each share of stock has the right to one vote; if not, give full particulars in a footnote. Yes
3. Are voting rights proportional to holdings? Yes If no, state in a footnote the relation between holdings and corresponding voting rights.
4. Are voting rights attached to any securities other than stock? No If so, name in a footnote each security, other than stock, to which voting rights are attached (as of the close of the year), and state in detail the relation between holdings and corresponding voting rights, stating whether voting rights are actual or contingent, and if contingent, showing the contingency.
5. Has any class or issue of securities any special privileges in the election of directors, trustees, or managers, or in the determination of corporate action by any method? No If so, describe fully in a footnote each such class or issue and give a succinct statement showing clearly the character and extent of such privileges.
6. Give the date of the latest closing of the stock book prior to the actual filing of this report, and state the purpose of such closing.
Stock Books Do Not Close
7. State the total voting power of all security holders of the respondent at the date of such closing, if within one year of the date of such filing; if not, state as of the close of the year. NSR 16,668,997 votes as of December 31, 2015 (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 26, 2015

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 RL de CV
	North Carolina Midland Railroad Company, The
	NS Spectrum Corporation
	PLS Investment, LLC
	Rail Investment Company
	Reading Company, LLC [Delaware]
	Reading Company, LLC [Virginia]
	S-VA Corporation
	South Western Rail Road Company, The
	Southern Rail Terminals, Inc.
	Southern Rail Terminals of North Carolina, Inc.
	Southern Region Materials Supply, Inc.
	T-Cubed of North America, LLC
	TCS Leasing, Inc.
	TCV, Inc.
	Thoroughbred Direct Intermodal Services, Inc.
	Thoroughbred Emissions Research, LLC
	Thoroughbred Funding, Inc.
	Thoroughbred Technology & 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	1,043,341	871,852	1
2		702	Temporary Cash Investments			2
3		703	Special Deposits			3
Accounts Receivable						
4		704	- Loan and Notes	585	679	4
5		705	- Interline and Other Balances	48,741	67,584	5
6		706	- Customers	449,648	537,181	6
7		707	- Other	119,155	108,940	7
8		709, 708	- Accrued Accounts Receivables	310,009	333,434	8
9		708.5	- Receivables from Affiliated Companies	13,570,844	9,911,574	9
10		709.5	- Less: Allowance for Uncollectible Accounts	(3,165)	(6,331)	10
11		710, 711, 714	Working Funds Prepayments Deferred Income Tax Debits	251,096	469,385	11
12		712	Materials and Supplies	270,764	235,835	12
13		713	Other Current Assets	11,652	9,245	13
14			TOTAL CURRENT ASSETS	16,072,670	12,539,378	14
Other Assets						
15		715, 716, 717	Special Funds	2,102	3,174	15
16		721, 721.5	Investments and Advances Affiliated Companies (Schedule 310 and 310A)	994,759	983,126	16
17		722, 723	Other Investments and Advances	12,479	58,550	17
18		724	Allowances for Net Unrealized Loss on Noncurrent Marketable Equity Securities-Cr.			18
19		737, 738	Property Used in Other than Carrier Operation (less Depreciation) \$51,650 and \$49,756 respectively	120,624	122,701	19
20		739, 741	Other Assets	52,762	31,911	20
21		743	Other Deferred Debits	6,430	6,599	21
22		744	Accumulated Deferred Income Tax Debits			22
23			TOTAL OTHER ASSETS	1,189,156	1,206,061	23
Road and Equipment						
24		731, 732	Road (Schedule 330, L-30 Col. h & b)	28,604,117	27,322,853	24
25		731, 732	Equipment (Schedule 330, L-39 Col. h & b)	10,301,786	9,835,260	25
26		731, 732	Unallocated Items	927,941	712,979	26
27		733, 735	Accumulated Depreciation and Amortization (Schedules 335, 342, 351)	(11,591,634)	(10,915,574)	27
28			Net Road and Equipment	28,242,210	26,955,518	28
29	*		TOTAL ASSETS	45,504,036	40,700,957	29

NOTES AND REMARKS

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

Line No.	Cross Check	Account	Title (a)	Balance at close of year (b)	Balance at beginning of year (c)	Line No.
Current Liabilities						
30		751	Loans and Notes Payable	200,000	100,000	30
31		752	Accounts Payable; Interline and Other Balances	631	465	31
32		753	Audited Accounts and Wages	473	1,747	32
33		754	Other Accounts Payable	1,363	2,984	33
34		755, 756	Interest and Dividends Payable	3,106	3,083	34
35		757	Payables to Affiliated Companies	7,561,753	5,649,096	35
36		759	Accrued Accounts Payable	1,076,494	1,218,785	36
37		760, 761, 761.5, 762	Taxes Accrued	182,971	218,026	37
38		763	Other Current Liabilities	101,975	98,910	38
39		764	Equipment Obligations and Other Long-Term Debt	149	1,583	39
40			TOTAL CURRENT LIABILITIES	9,128,915	7,294,679	40
Non-Current Liabilities						
41		765, 767	Funded Debt Unmatured	451,826	551,826	41
42		766	Equipment Obligations			42
43		766.5	Capitalized Lease Obligations	1,740	1,886	43
44		768	Debt in Default			44
45		769	Accounts Payable; Affiliated Companies	5,206,742	4,101,936	45
46		770.1, 770.2	Unamortized Debt Premium	70,518	79,074	46
47		781	Interest in Default			47
48		783	Deferred Revenues-Transfers from Government Authorities			48
49		786	Accumulated Deferred Income Tax Credits	8,866,522	8,663,298	49
50		771, 772, 774, 775, 782, 784	Other Long-Term Liabilities and Deferred Credits	3,275,692	3,070,352	50
51			TOTAL NONCURRENT LIABILITIES	17,873,040	16,468,372	51
Shareholders' Equity						
52		791, 792	Total Capital Stock: (Schedule 230, E-11 & 17)	166,690	166,690	52
53			Common Stock	166,690	166,690	53
54			Preferred Stock			54
55			Discount on Capital Stock			55
56		794, 795	Additional Capital (Schedule 230)	7,263,099	7,263,099	56
Retained Earnings:						
57		797	Appropriated			57
58		798	Unappropriated (Schedule 220)	11,447,987	9,833,301	58
59		796	Accumulated Other Comprehensive Income	(375,695)	(325,184)	59
60		798.5	Less Treasury Stock			60
61			Net Stockholders' Equity	18,502,081	16,937,906	61
62	*		TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	45,504,036	40,700,957	62

NOTES AND REMARKS

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION – EXPLANATORY NOTES

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

1. Amount (estimated, if necessary) of net income or retained income which has to be provided for capital expenditures, and for sinking and other funds pursuant to provisions of reorganization plans, mortgages, deeds of trust, or other contracts
NONE
2. Estimated amount of future earnings which can be realized before paying Federal income taxes because of unused and available net operating loss carryover on January 1 of the year following that for which the report is made
NONE
3. (a) Explain the procedure in accounting for pension funds and recording in the accounts the current and past service pension costs, indicating whether or not consistent with the prior year
SEE NOTE 12, PAGE 10
- (b) State amount, if any, representing the excess of the actuarially computed value of vested benefits over the total of the pension fund
SEE NOTE 12, PAGE 10
- (c) Is any part of pension plan funded? Specify. Yes 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, 2015, THE MEMBERS OF THE BOARD OF MANAGERS ARE CINDY EARHART, CHAIRMAN; MARK MANION, MEMBER; MARTA STEWART, MEMBER.
 Date of trust agreement or latest amendment MARCH 22, 2015
 If respondent is affiliated in any way with the trustee(s), explain affiliation

- (d) List affiliated companies which are included in the pension plan funding agreement and describe basis for allocating charges under the agreement
SEE NOTE 12, PAGE 10
- (e) Is any part of the pension plan fund invested in stock or other securities of the respondent or any of its affiliates? Specify. Yes _____ No 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.

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

(a) Changes in Valuation Accounts

8. Marketable Equity Securities.

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

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

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

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

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

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

9. 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 requires 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. In July 2015, the FASB approved a one-year deferral of the effective date of the new standard, making it effective for our annual and interim reporting periods beginning January 1, 2018. Early application is permitted, but not before the original effective date for public business entities (annual reporting periods beginning after December 15, 2016). The ASU permits the use of either the retrospective or cumulative effect transition method. We are evaluating the effect that ASU 2014-09 will have on our consolidated financial statements and related disclosures.

In November 2015, the FASB issued ASU No. 2015-17, "Income Taxes (Subtopic 740): Balance Sheet Classification of Deferred Taxes." This update, effective for annual and interim periods beginning after December 15, 2016, requires that deferred tax liabilities and assets be classified as noncurrent on the balance sheet rather than as separate current and noncurrent amounts on the balance sheet. Early application is permitted as of the beginning of an interim or annual reporting period, and may be applied either prospectively or retrospectively. This update, once adopted, will not have a material effect on our presentation of deferred tax liabilities and assets on our balance sheet.

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 \$695 million in 2015 and \$786 million in 2014, including a \$45 million markup in 2015 and a \$48 million markup in 2014). In addition, NS charges us a revenue-based licensing fee (which totaled \$152 million in 2015 and \$167 million in 2014) for the use of certain intangible assets owned by NS.

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

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 for amounts due to CRC for operation of the Shared Assets Areas totaling \$154 million in 2015 and \$144 million in 2014. Future minimum lease payments due to CRC under the Shared Assets Areas agreements are as follows: \$36 million in each of 2016 through 2020 and \$124 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 \$71 million at December 31, 2015, and \$56 million at December 31, 2014, due to Conrail for the operation of the Shared Assets Areas.

Investment in TTX

Along with eight other railroads, we jointly own TTX Company (formerly Trailer Train Company). We have a 19.65% interest in TTX, which is engaged in the business of leasing a fleet of standardized types of railroad flatcars to railroads in the United States.

We pay TTX a monthly fee for use of certain equipment, included in "Railway operating expenses." For the years ended December 31, 2015 and 2014, this amounted to \$219 million and \$200 million of expense, respectively. Offsetting these amounts, our equity in the earnings of TTX, also included in "Railway operating expenses," totaled \$21 million for 2015 and \$19 million for 2014.

Intercompany Accounts

	December 31,	
	2015	2014
	(\$ in millions)	
Current:		
Receivables from Affiliated Companies	\$ 13,571	\$ 9,912
Payables to Affiliated Companies	\$ (7,562)	\$ (5,649)
Long-term		
Accounts Payable; Affiliated Companies	\$ (5,207)	\$ (4,102)

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 3.25% to 6.0% with maturity dates ranging from 2022 to 2111. Our results include interest income on amounts due from NS of \$27 million in 2015 and \$13 million in 2014, and interest expense of \$144 million in 2015 and \$130 million in 2014 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 \$9.9 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**

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;

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

- 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.

Pension and Other Postretirement Benefit Obligations and Plan Assets

	Pension Benefits		Other Postretirement Benefits	
	2015	2014	2015	2014
	(\$ in millions)			
Change in benefit obligations:				
Benefit obligation at beginning of year	\$ 2,429	\$ 2,091	\$ 571	\$ 855
Service cost	41	34	7	7
Interest cost	93	93	21	24
Actuarial losses (gains)	(64)	335	(7)	102
Plan amendments	—	—	(8)	(367)
Benefits paid	(127)	(124)	(48)	(50)
Benefit obligation at end of year	<u>2,372</u>	<u>2,429</u>	<u>536</u>	<u>571</u>
Change in plan assets:				
Fair value of plan assets at beginning of year	2,167	2,115	262	239
Actual return on plan assets	(14)	163	2	26
Employer contribution (reimbursement) ¹	14	13	(27)	47
Benefits paid	(127)	(124)	(48)	(50)
Fair value of plan assets at end of year	<u>2,040</u>	<u>2,167</u>	<u>189</u>	<u>262</u>
Funded status at end of year	<u>\$ (332)</u>	<u>\$ (262)</u>	<u>\$ (347)</u>	<u>\$ (309)</u>
Amounts recognized in the Consolidated Balance Sheets:				
Noncurrent assets	\$ 2	\$ 12	\$ —	\$ —
Current liabilities	(16)	(14)	—	—
Noncurrent liabilities	<u>(318)</u>	<u>(260)</u>	<u>(347)</u>	<u>(309)</u>
Net amount recognized	<u>\$ (332)</u>	<u>\$ (262)</u>	<u>\$ (347)</u>	<u>\$ (309)</u>
Amounts included in accumulated other comprehensive income, before tax:				
Net loss	\$ 904	\$ 854	\$ 16	\$ 6
Prior service cost (benefit)	3	3	(331)	(347)

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 \$30 million as of December 31, 2015.

NS' accumulated benefit obligation for its defined benefit pension plans is \$2.2 billion at both December 31, 2015 and 2014. 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 \$274 million at both December 31, 2015 and December 31, 2014, and had accumulated benefit obligations of \$252 million at December 31, 2015, and \$244 million at December 31, 2014.

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

Pension and Other Postretirement Benefit Cost Components

	<u>2015</u>	<u>2014</u>
	<i>(\$ in millions)</i>	
<i>Pension benefits:</i>		
Service cost	\$ 41	\$ 34
Interest cost	93	93
Expected return on plan assets	(165)	(151)
Amortization of net losses	65	54
Amortization of prior service cost	<u>—</u>	<u>1</u>
Net cost	<u>\$ 34</u>	<u>\$ 31</u>
<i>Other postretirement benefits:</i>		
Service cost	\$ 7	\$ 7
Interest cost	21	24
Expected return on plan assets	(19)	(18)
Amortization of prior service benefit	<u>(24)</u>	<u>(20)</u>
Net benefit	<u>\$ (15)</u>	<u>\$ (7)</u>

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

	<u>2015</u>	
	<u>Pension</u>	<u>Other</u>
	<u>Benefits</u>	<u>Postretirement</u>
	<i>(\$ in millions)</i>	
Net loss arising during the year	\$ 115	\$ 10
Prior service effort of plan amendment	—	(8)
Amortization of net losses	(65)	—
Amortization of prior service benefit	<u>—</u>	<u>24</u>
Total recognized in other comprehensive loss	<u>\$ 50</u>	<u>\$ 26</u>
Total recognized in net periodic cost and other comprehensive loss	<u>\$ 84</u>	<u>\$ 11</u>

Net actuarial losses arising during the year to NS' pension and other postretirement benefits were due primarily to a lower than expected return on plan assets partially offset by an increase in our discount rate and a change in our mortality assumption.

The estimated net losses for the pension benefit plans that will be amortized from accumulated other comprehensive income into net periodic cost over the next year are \$50 million. The estimated prior service benefit for the other postretirement benefit plans that will be amortized from accumulated other comprehensive income into net periodic benefit over the next year is \$24 million.

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

Pension and Other Postretirement Benefits Assumptions

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

	<u>2015</u>	<u>2014</u>
Pension funded status:		
Discount rate	4.30 %	3.95 %
Future salary increases	4.50 %	4.50 %
Other postretirement benefits funded status:		
Discount rate	4.02 %	3.70 %
Pension cost:		
Discount rate	3.95 %	4.60 %
Return on assets in plans	8.25 %	8.25 %
Future salary increases	4.50 %	4.50 %
Other postretirement benefits cost:		
Discount rate ¹	3.70 %	3.90 %
Return on assets in plans	8.00 %	8.00 %
Health care trend rate	6.56 %	6.94 %

¹2014 other postretirement benefits cost was based on a discount rate of 4.65% prior to NS' retiree medical plan amendment in the first quarter of 2014, and 3.90% after the plan amendment.

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

Health Care Cost Trend Assumptions

For measurement purposes at December 31, 2015, increases in the per capita cost of pre-Medicare covered health care benefits were assumed to be 6.30% for 2016. It is assumed the rate will decrease gradually to an ultimate rate of 5.0% for 2021 and remain at that level thereafter.

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

	One-percentage point	
	<u>Increase</u>	<u>Decrease</u>
	(\$ in millions)	
Increase (decrease) in:		
Total service and interest cost components	\$ 1	\$ (1)
Postretirement benefit obligation	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 Barclays Government/Credit Bond Index Fund, except that the Canadian earmarked portion of the portfolio is maintained in U.S. Treasury Bonds. Equity investments must be in liquid securities listed on national exchanges. No investment is permitted in 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>2015</u>	<u>2014</u>
Domestic equity securities	50 %	50 %
Debt securities	25 %	25 %
International equity securities	23 %	23 %
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 December 31, 2015, of 67% in equity securities and 33% in debt securities compared with 66% in equity securities and 34% in debt securities at December 31, 2014. The target asset allocation for equity is between 50% and 75% of the plan's assets.

The plans' assumed future returns are based principally on the asset allocations and historic returns for the plans' asset classes determined from both actual plan returns and, over longer time periods, expected market returns for those asset classes. The expected long-term rate of return on plan assets is applied to a calculated value of plan assets that recognizes changes in fair value over a three-year period. NS assumed a rate of return on pension plan assets of 8.25% for both 2015 and 2014. A one-percentage point change to the rate of return assumption would result in a \$20 million change to the net pension cost and, as a result, an equal change in "Compensation and benefits" expense. For 2016, NS assumes an 8.25% return on pension plan assets.

Fair Value of Plan Assets

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

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

Common collective trusts: Valued at the net asset value (NAV) of shares held by the plan at year end, based on the quoted market prices of the underlying assets of the trusts. The investments are valued using NAV as a practical expedient for fair value. The common collective trusts hold equity securities, fixed income securities and cash and cash equivalents.

Commingled funds: Valued at the NAV of shares held by the plan at year end, based on the quoted market prices of the underlying assets of the funds. The investments are valued using NAV as a practical expedient for fair value. The commingled funds hold equity securities.

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

United States Government and agencies securities: Valued at an estimated price at which a dealer would pay for a security at year end using observable as well as unobservable market-based inputs. Inflation adjusted instruments utilize the appropriate index factor.

Preferred stock: Shares held by the plan at year end are valued at the most recent trade price of a security at the close of the active market or at an estimated price at which a dealer would pay for a similar security at year end using observable market-based inputs.

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

	December 31, 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>
	December 31, 2014		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
	<i>(\$ in millions)</i>		
Common stock	\$ 1,180	\$ —	\$ 1,180
Common collective trusts:			
Debt securities	—	532	532
International equity securities	—	327	327
Commingled funds	—	81	81
Interest bearing cash	41	—	41
U.S. government and agencies securities	—	4	4
Preferred stock	—	2	2
	<u>\$ 1,221</u>	<u>\$ 946</u>	<u>\$ 2,167</u>

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

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

Trust-owned life insurance: Valued at NS' share of the net assets of trust-owned life insurance issued by a major insurance company. The underlying investments of that trust consist of a U.S. stock account and a U.S. bond account, and a loan asset 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; the loan asset account is valued at cash surrender value at the time of the loan, plus accrued interest.

The other postretirement benefit plan assets consisted of trust-owned life insurance with fair values of \$189 million and \$262 million at December 31, 2015 and 2014, respectively, and are valued under level 2 of the fair value hierarchy. There were no level 1 or level 3 related assets.

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

Contributions and Estimated Future Benefit Payments

In 2016, NS expects to contribute approximately \$16 million to its unfunded pension plans for payments to pensioners and approximately \$20 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 2016.

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>		
2016	\$	135	\$ 44
2017		137	43
2018		140	42
2019		142	42
2020		143	41
Years 2021 – 2025		731	185

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 \$32 million in 2015 and \$36 million in 2014.

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 2015 and \$20 million in 2014.

13. Commitments and Contingencies

Lawsuits

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

Two of our customers, DuPont and Sunbelt Chlor Alkali Partnership (Sunbelt), filed rate reasonableness complaints before the Surface Transportation Board (STB) alleging that our tariff rates for transportation of regulated movements are unreasonable. Since June 1, 2009, in the case of DuPont, and April 1, 2011, in the case of Sunbelt, we have been billing and collecting amounts based on the challenged tariff rates. In 2014, the STB resolved both rate reasonableness complaints in our favor. The STB's findings in the Sunbelt case remain subject to technical corrections and requests for reconsideration. Both cases remain open to possible 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 estimable.

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

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. A lawsuit containing similar allegations against us and four other major railroads that was filed on March 25, 2008, in the U.S. District Court for the District of Minnesota, was voluntarily dismissed by the plaintiff subject to a tolling agreement entered into in August 2008, and most recently extended in August 2013.

Casualty Claims

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

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

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

Third-party claims - We record a liability for third-party claims including those for highway crossing accidents, trespasser and other injuries, automobile liability, property damage, and lading damage. The actuarial firm assists us with the calculation of potential liability for third-party claims, except lading damage, based upon our experience including the number and timing of incidents, amount of payments, settlement rates, number of open claims, and legal defenses. The actuarial estimate includes a provision for claims that have been incurred but not reported. We adjust the liability quarterly based upon our assessment and the results of the study. Given the inherent uncertainty in regard to the ultimate outcome of third-party claims, it is possible that the actual loss may differ from the estimated liability recorded.

Environmental Matters

We are subject to various jurisdictions' environmental laws and regulations. We record a liability where such liability or loss is probable and its amount can be estimated reasonably. Claims, if any, against third parties, for recovery of cleanup costs we have incurred are reflected as receivables (when collection is probable) in the Consolidated Balance Sheets and are not netted against the associated liability. Environmental engineers regularly participate in ongoing evaluations of all known sites and in determining any necessary adjustments to liability estimates. We have an Environmental Policy Council, composed of senior managers, to oversee and interpret our environmental policy.

Our Consolidated Balance Sheets include liabilities for environmental exposures of \$69 million at December 31, 2015, and \$66 million at December 31, 2014 (of which \$15 million is classified as a current liability at the end of both 2015 and 2014, respectively). At December 31, 2015, the liability represents our estimates of the probable cleanup, investigation, and remediation costs based on available information at 145 known locations and projects compared with 146 locations and projects at December 31, 2014. At December 31, 2015, 14 sites accounted for \$42 million of the liability, and no individual site was considered to be material. We anticipate that much of this liability will be paid out over five years; however, some costs will be paid out over a longer period.

At 12 locations, one or more of our subsidiaries in conjunction with a number of other parties have been identified as potentially responsible parties under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 or comparable state statutes that impose joint and several liability for cleanup costs. We calculate our estimated liability for these sites based on facts and legal defenses applicable to each site and not solely on the basis of the potential for joint liability.

With respect to known environmental sites (whether identified by us or by the 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 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, 2015, we had outstanding purchase commitments totaling approximately \$903 million for locomotives, freight cars and containers, track material, and track and yard expansion projects in connection with our capital programs as well as long-term service contracts through 2020.

Change-In-Control Arrangements

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

Guarantees

In a number of instances, we have agreed to indemnify lenders for additional costs they may bear as a result of certain changes in laws or regulations applicable to their loans. Such changes may include impositions or modifications with respect to taxes, duties, reserves, liquidity, capital adequacy, special deposits, and similar requirements relating to extensions of credit by, deposits with, or the assets 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.

We have agreed to indemnify parties in a number of transactions for U.S. income tax withholding imposed as a result of changes in U.S. tax law. In all cases, we have the right to unwind the related transaction if the withholding cannot be avoided in the future. Because these indemnities would be triggered and are dependent upon a change in the tax law, the maximum exposure is not quantifiable. We do not believe it is likely that we will be required to make any payments under these indemnities.

At December 31, 2015, certain Norfolk Southern subsidiaries are contingently liable as guarantors with respect to \$7 million of indebtedness, due in 2019, of an entity in which they have an ownership interest, the Terminal Railroad Association of St. Louis. Four other railroads are also jointly and severally liable as guarantors for this indebtedness. No liability has been recorded related to this guaranty.

14. Freight Rates

In 2015, we continued our reliance on private contracts and exempt price quotes as the predominant pricing mechanism. Thus, a major portion of our freight business is not currently economically regulated by the government. In general, market forces have been substituted for government regulation and now are the primary determinant of rail service prices.

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210. RESULTS OF OPERATIONS

(Dollars in Thousands)

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

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

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

4. All contra entries should be shown in parenthesis

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

5. Cross-checks

Schedule 210

Line 15, column (b)

Line 47 plus 48 plus 49, column (b)

Line 50, column (b)

Line 14, column (b)

Line 14, column (d)

Line 14, column (e)

Schedule 210

= Line 62, column (b)

= Line 63, column (b)

= Line 64, column (b)

Schedule 410

= Line 620, column (h)

= Line 620, column (f)

= Line 620, column (g)

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Freight-related revenue & expenses (d)	Passenger-related revenue & expenses (e)	Line No.
		ORDINARY ITEMS					
		OPERATING INCOME					
		Railway Operating Income					
1		(101) Freight	10,179,127	11,291,199	10,179,127		1
2		(102) Passenger					2
3		(103) Passenger-Related					3
4		(104) Switching	60,194	67,703	60,194		4
5		(105) Water Transfers					5
6		(106) Demurrage	195,179	175,130	195,179		6
7		(110) Incidental	76,680	90,199	76,680		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)	10,511,180	11,624,231	10,511,180		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)	10,511,180	11,624,231	10,511,180		13
14	*	(531) Railway operating expenses	7,886,482	8,330,993	7,886,482		14
15	*	Net revenue from railway operations	2,624,698	3,293,238	2,624,698		15
		OTHER INCOME					
16		(506) Revenue from property used in other than carrier operations	12,362	13,322			16
17		(510) Miscellaneous rent income	65,391	58,364			17
18		(512) Separately operated properties-Profit					18
19		(513) Dividend Income (cost method)					19
20		(514) Interest Income	27,907	13,648			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	34,985	31,242			24
		Income from affiliated companies: 519					
25		a. Dividends (equity method)	6				25
26		b. Equity in undistributed earnings (losses)		(190)			26
27		TOTAL OTHER INCOME (lines 16-26)	140,651	116,386			27
28		TOTAL INCOME (lines 15, 27)	2,765,349	3,409,624			28
		MISCELLANEOUS DEDUCTIONS FROM INCOME					
29		(534) Expenses of property used in other than carrier operations	19,596	18,393			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	15,022	19,632			34
35		(553) Uncollectible accounts					35
36		TOTAL MISCELLANEOUS DEDUCTIONS (lines 29-35)	34,618	38,025			36
37		Income available for fixed charges (lines 28, 36)	2,730,731	3,371,599			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			
38		(546) Interest on funded debt:			
		(a) Fixed interest not in default	158,836	147,687	38
39		(b) Interest in default			39
40		(547) Interest on unfunded debt	15,464	21,072	40
41		(548) Amortization of discount on funded debt		10	41
42		TOTAL FIXED CHARGES (lines 38-41)	174,300	168,769	42
43		Income after fixed charges (lines 37, 42)	2,556,431	3,202,830	43
		OTHER DEDUCTIONS			
44		(546) Interest on funded debt:			
		(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)	2,556,431	3,202,830	46
		PROVISIONS FOR INCOME TAXES			
47	*	(556) Income taxes on ordinary income:			
		(a) Federal income taxes	592,382	797,408	47
48	*	(b) State income taxes	56,956	103,948	48
49	*	(c) Other income taxes			49
50	*	(557) Provision for deferred taxes	278,891	271,663	50
51		TOTAL PROVISIONS FOR INCOME TAXES (lines 47-50)	928,229	1,173,019	51
52		Income from continuing operations (lines 46+51)	1,628,202	2,029,811	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)	1,628,202	2,029,811	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)	1,628,202	2,029,811	61
		Reconciliation of net railway operating income(NROI)			
62		Net revenues from railway operation	2,624,698	3,293,238	62
63	*	(556) Income taxes on ordinary income (-)	(649,338)	(901,356)	63
64	*	(557) Provision for deferred income taxes (-)	(278,891)	(271,663)	64
65		Income from lease of road and equipment (-)	(10,239)	(9,550)	65
66		Rent for leased roads and equipment (+)	24,560	24,467	66
67		Net railway operating income (loss)	1,710,790	2,135,136	67

Notes and Remarks For Schedules 210 and 220

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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	9,833,301		1
2	(601.5)	Prior period adjustments to beginning retained earnings			2
		CREDITS			
3	(602)	Credit balance transferred from income	1,628,202		3
4	(603)	Appropriations released			4
5	(606)	Other credits to retained earnings			5
6		TOTAL	1,628,202		6
		DEBITS			
7	(612)	Debit balance transferred from income			7
8	(616)	Other debits to retained earnings	13,506		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	13,516		13
14		Net increase (decrease) during year (line 6 minus line 13)	1,614,686		14
15		Balances at close of year (lines 1, 2 & 14)	11,447,987		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	11,447,987	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 16, 2016.

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

230. CAPITAL STOCK

PART I. CAPITAL STOCK
(Dollars in Thousands)

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

Line No.	Class of Stock (a)	Par Value (b)	Number of Shares				Book Value at End of Year		Line No.
			Authorized (c)	Issued (d)	In Treasury (e)	Outstanding (f)	Outstanding (g)	In Treasury (h)	
1	Common:								1
2	Norfolk Southern Railway Company	None	50,000,000	16,668,997		16,668,997	\$166,690		2
3									3
4									4
5									5
6									6
7									7
8									8
9									9
10	TOTAL	N/A	50,000,000	16,668,997		16,668,997	\$166,690		10

PART II. SUMMARY OF CAPITAL STOCK CHANGES DURING YEAR
(Dollars in Thousands)

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

Line No.	Items (a)	Preferred Stock		Common Stock		Treasury Stock		Additional Capital (h)	Line No.
		Number of Shares (b)	Amount (c)	Number of Shares (d)	Amount (e)	Number of Shares (f)	Amount (g)		
11	Balance at beginning of year				\$166,690			\$7,263,099	11
12	Capital Stock Sold								12
13	Capital Stock Reacquired								13
14	Capital Stock Canceled								14
15	Contribution to Capital								15
16									16
17	Balance at close of year				\$166,690			\$7,263,099	17

240. STATEMENT OF CASH FLOWS

(Dollars in Thousands)

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

CASH FLOWS FROM OPERATING ACTIVITIES

Line No.	Cross Check	Description (a)	Current Year (b)	Prior Year (c)	Line No.
1		Cash received from operating revenues			1
2		Dividends received from affiliates			2
3		Interest received			3
4		Other income			4
5		Cash paid for operating expenses			5
6		Interest paid (net of amounts capitalized)			6
7		Income taxes paid			7
8		Other-net			8
9		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	1,628,202	2,029,811	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	(28,353)	(14,494)	11
12		Depreciation and amortization expenses	1,109,313	1,010,531	12
13		Increase (decrease) in provision for deferred income taxes	278,891	271,663	13
14		Net decrease (increase) in undistributed earnings (losses) of affiliates	(11,441)	(8,913)	14
15		Decrease (increase) in accounts receivable	107,080	(37,899)	15
16		Decrease (increase) in materials and supplies, and other current assets	173,614	(273,557)	16
17		Increase (decrease) in current liabilities other than debt	(188,357)	(47,929)	17
18		Increase (decrease) in other-net	241,214	62,073	18
19		Net cash provided from continuing operations (Lines 10-18)	3,310,163	2,991,286	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)	3,310,163	2,991,286	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	25,067	78,803	22
23		Capital expenditures	(2,384,251)	(2,115,982)	23
24		Net change in temporary cash investments not qualifying as cash equivalents		107,964	24
25		Proceeds from sale/repayment of investment and advances	48,964	(2,147)	25
26		Purchase price of long-term investment and advances	(4,558)	(8,067)	26
27		Net decrease (increase) in sinking and other special funds	(44,823)	(34,278)	27
28		Other-net			28
29		NET CASH USED IN INVESTING ACTIVITIES (Lines 22-28)	(2,359,601)	(1,973,707)	29

(Continued on next page)

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

CASH FLOWS FROM FINANCING ACTIVITIES

Line No.	Cross Check	Description (a)	Current Year (b)	Prior Year (c)	Line No.
30		Proceeds from issuance of long-term debt	100,000	200,000	30
31		Principal payments of long-term debt	(101,580)	(213,319)	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	(777,493)	(1,494,750)	35
36		NET CASH USED IN FINANCING ACTIVITIES (Lines 30-35)	(779,073)	(1,508,069)	36
37		NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (Lines 21, 29 & 36)	171,489	(490,490)	37
38		Cash and cash equivalents at beginning of the year	871,852	1,362,342	38
39		CASH AND CASH EQUIVALENTS AT END OF THE YEAR (Lines 37 & 38)	1,043,341	871,852	39
		Footnotes to Schedule 240			
		Cash paid during the year for:			
40		Interest (net of amount capitalized)*	24,733	25,565	40
41		Income taxes (net)*	371,074	1,083,588	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	48,741	1
2	Customers (706)	Schedule 200, line 6, column b	449,648	2
3	Other (707)	Note A	119,155	3
4	TOTAL CURRENT OPERATING ASSETS	Line 1 + 2 + 3	617,544	4
OPERATING REVENUE				
5	Railway Operating Revenue	Schedule 210, line 13, column b	10,511,180	5
6	Rent Income	Note B	257,803	6
7	TOTAL OPERATING REVENUES	Lines 5 + 6	10,768,983	7
8	Average Daily Operating Revenues	Line 7 ÷ 360 days	29,914	8
9	Days of Operating Revenue in Current Operating Assets	Line 4 ÷ line 8	21	9
10	Revenue Delay Days Plus Buffer	Lines 9 + 15 days	36	10
CURRENT OPERATING LIABILITIES				
11	Interline and Other Balances (752)	Schedule 200, line 31, column b	631	11
12	Audited Accounts and Wages Payable (753)	Note A	473	12
13	Accounts Payable-Other (754)	Note A	1,363	13
14	Other Taxes Accrued (761.5)	Note A	184,430	14
15	TOTAL CURRENT OPERATING LIABILITIES	Sum of lines 11 to 14	186,897	15
OPERATING EXPENSES				
16	Railway Operating Expenses	Schedule 210, line 14, column b	7,886,482	16
17	Depreciation	Schedule 410, lines 136, 137, 138, 213, 232, 317, column h	1,107,197	17
18	Cash Related Operating Expenses	Line 16 + line 6 - line 17	7,037,088	18
19	Average Daily Expenditures	Line 18 ÷ 360 days	19,547	19
20	Days of Operating Expenses in Current Operating Liabilities	Line 15 ÷ line 19	10	20
21	Days of Working Capital Required	Line 10 - line 20 (Note C)	26	21
22	Cash Working Capital Required	Line 21 x line 19	508,222	22
23	Cash and Temporary Cash Balance	Schedule 200, line 1 + line 2, column b	1,043,341	23
24	Cash Working Capital Allowed	Lesser line 22 and line 23	508,222	24
MATERIALS AND SUPPLIES				
25	Total Material and Supplies (712)	Note A	270,764	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	270,764	27
28	TOTAL WORKING CAPITAL	Line 24 + line 27	778,986	28

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

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

(C) If result is negative, use zero.

NOTES AND REMARKS

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GENERAL INSTRUCTIONS CONCERNING RETURNS IN SCHEDULES 310 AND 310A

1. Schedule 310 should give particulars of stocks, bonds, and other secured obligations, unsecured notes, and investment advances of affiliated companies held by respondent at the close of the year. Also, disclose the investments made, disposed of, and written down during the year and the applicable dividends and interest credited to income as a result of those investments. They should exclude securities issued or assumed by respondent. For definition of affiliated companies, see the rules governing Account No. 721 "Investments and Advances; Affiliated Companies", in the Uniform System of Accounts for Railroad Companies.

2. List the investments in the following order and show a total for each group and each class of investment by accounts in numerical order.

- (A) Stocks
 - (1) Carriers-active
 - (2) Carriers-inactive
 - (3) Noncarriers-active
 - (4) Noncarriers-inactive
- (B) Bonds (including US government bonds)
- (C) Other secured obligations
- (D) Unsecured notes
- (E) Investment advances

3. The subclassification of classes (B), (C), (D), and (E) should be the same as those provided for class (A).

4. The kinds of industry represented by respondent's investments in the securities of other companies should be shown by symbol opposite the names of the issuing corporations. The symbols and industrial classifications are as follows:

Symbol	Kind of Industry
I	Agriculture, forestry, and fisheries
II	Mining
III	Construction
IV	Manufacturing
V	Wholesale and retail trade
VI	Finance, insurance, and real estate
VII	Transportation, communications, and other public utilities
VIII	Services
IX	Government
X	All other

5. By carriers, as the term is used here, is meant companies owning or operating railroads, facilities auxiliary thereto such as bridges, ferries, union depots, and other terminal facilities, sleeping cars, parlor cars, dining cars, freight cars, express services and facilities, electric railways, highway motor vehicles, steamboats and other marine transportation equipment, pipe lines (other than those for transportation of water), and other instrumentalities devoted to the transportation of persons or property for hire. Telegraph and telephone companies are not meant to be included.

6. Noncarrier companies should, for the purposes of these schedules, include telephone companies, telegraph companies, mining companies, manufacturing companies, hotel companies, etc. Purely holding companies are to be classified as noncarrier companies, even though the securities held by such companies are largely or entirely issued or assumed by carriers.

7. By an active corporation is meant one which maintains an organization for operating property or administering its financial affairs. An inactive corporation is one which has been practically absorbed in a controlling corporation and which neither operates property nor administers its financial affairs. If it maintains an organization it does so only for the purpose of complying with legal requirements and maintaining title to property or franchises.

8. Combine in one account investments in which the original cost or present equity in total assets is less than \$10,000.

9. Include investments in unincorporated entities such as lessee organizations. Exclude amounts normally settled on a current basis.

10. Do not include the value of securities issued or assumed by respondent.

11. For affiliates which do not report to the Surface Transportation Board and are jointly owned, disclose in footnotes the name and extent of control of the other controlling entities.

310. INVESTMENTS AND ADVANCES AFFILIATED COMPANIES

1. Give particulars of investments in stocks, bonds, other secured obligations, unsecured notes, and investment advances of companies affiliated with respondent, included in accounts Nos. 715, "Sinking Funds"; 716, "Capital Funds"; 721, "Investments and Advances Affiliated Companies"; and 717, "Other Funds."
2. Entries in this schedule should be made in accordance with the definitions and general instructions given on page 18, classifying the investments by means of letters, figures, and symbols in columns (a), (b) and (c).
3. Indicate by means of an arbitrary mark in column (d) the obligation in support of which any security is pledged, mortgaged, or otherwise encumbered, giving names and other important particulars of such obligations in footnotes.
4. Give totals for each class and for each subclass and a grand total for each account.
5. Entries in column (d) should show date of maturity of bonds and other evidences of indebtedness. In case obligations of the same designation mature serially, the date in column (d) may be reported as "Serially _____ to _____." Abbreviations in common use in standard financial publications may be used to conserve space.

Line No.	Account No.	Class No.	Kind of industry	Name of issuing company and also lien reference, if any (include rate for preferred stocks and bonds)	Extent of Control	Line No.
	(a)	(b)	(c)	(d)	(e)	
1	721	A-1	VII	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			302,008				7
8	35			35				8
9	152,378		1,084	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	456,899		1,084	455,815		20		16
17								17
18								18
19								19
20								20
21								21
22	62,650	4,000		66,650				22
23	7,397	536		7,933				23
24	200			200				24
25								25
26	70,247	4,536		74,783				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%
 Line 9, column h, represents return of capital.

(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	1,089		865	224				5
6	2,464	1,984	645	3,803				6
7	170			170				7
8	10			10				8
9								9
10								10
11								11
12	6,901	1,984	1,510	7,375				12
13								13
14	39,731			39,731				14
15	4,094	22	716	3,400				15
16	383			383				16
17								17
18	44,208	22	716	43,514				18
19								19
20								20
21								21
22	578,255	6,542	3,310	581,487		20		22
23								23
24				(20)	721.5 Total			24
25				413,292	Sch. 310A Total			25
26				994,759				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 5, 6 and 15, 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	19,956		(2,092)			17,864	2
3	Central Transfer and Storage Co.	16					16	3
4	Meridian Speedway, LLC	(25,216)		(2,397)			(27,613)	4
5	Pan Am Southern, LLC	(150)		2,084			1,934	5
6	Peoria and Pekin Union Rwy.	(572)	(732)	634			(670)	6
7	TTX Company	424,391		20,035			444,426	7
8	Winston-Salem Southbound Rwy.	6,822		457			7,279	8
9	Woodstock and Blocton Rwy. Co.	2	(6)	6			2	9
10								10
11	Total Carriers	425,305	(738)	18,727			443,294	11
12								12
13	Noncarriers (List specifics for each company)							13
14	Meteorcomm, LLC	(20,316)		(9,254)			(29,570)	14
15	PTC 220, LLC	(1,279)		(334)			(1,613)	15
16	Roanoke Valley Development Corporation	1,181					1,181	16
17								17
18	Total Noncarriers	(20,414)		(9,588)			(30,002)	18
19								19
20	Total Equity*	404,891	(738)	9,139			413,292	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 \$12,313 and adjustments to Other Comprehensive Income and Retained Earnings equals (\$3,180).

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 330

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

NOTES AND REMARKS

(Dollars in Thousands)

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

755,106	Schedule 410, Lines 136 - 138, Column (h)
5,098	Shop Machinery Schedule 335, Line 26, column(c)
<u>12,577</u>	Depreciation capitalized
<u>772,781</u>	Total
752,778	Schedule 335, Line 30, Column (c)
	Schedule 339, Line 41, Column (c)
<u>20,003</u>	Schedule 342, Line 29, Column (c)
<u>772,781</u>	Total

Equipment (Column (c))

352,091	Schedule 410, Sum of lines 213,232,317, Column (h)
(5,098)	Shop Machinery
	Other
<u>346,993</u>	Total
346,955	Schedule 335, Line 40, Column (c)
<u>38</u>	Schedule 342, Line 38, Column (c)
<u>346,993</u>	

Schedule 342 (Column (c))

20,003	Road
<u>38</u>	Equipment
<u>20,041</u>	Schedule 342, Line 39

Reconciliation of Accumulated Depreciation and Amortization to Schedule 200

11,302,008	Schedule 335, Line 41, Column (g)
<u>289,626</u>	Schedule 342, Line 39, Column (g)
<u>11,591,634</u>	
<u>11,591,634</u>	Schedule 200, Line 27, Column (b)

330. ROAD PROPERTY AND EQUIPMENT AND IMPROVEMENTS TO LEASED PROPERTY AND EQUIPMENT (Dollars in Thousands)						
Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	Expenditures during the year for original road and equipment, and road extensions (c)	Expenditures during the year for purchase of existing lines, reorganizations, etc. (d)	Line No.
1		(2) Land for transportation purpose	2,129,615			1
2		(3) Grading	3,096,064			2
3		(4) Other, right-of-way expenditures	18,957			3
4		(5) Tunnels and subways	370,823			4
5		(6) Bridges, trestles, and culverts	2,570,454			5
6		(7) Elevated structures	42,582			6
7		(8) Ties	4,582,773			7
8		(9) Rail and other track material	6,173,240			8
9		(11) Ballast	2,359,518			9
10		(13) Fences, snow sheds, and signs	7,132			10
11		(16) Station and office buildings	761,337			11
12		(17) Roadway buildings	49,746			12
13		(18) Water stations				13
14		(19) Fuel stations	98,471			14
15		(20) Shops and enginehouses	464,776			15
16		(22) Storage warehouses	871			16
17		(23) Wharves and docks	6,002			17
18		(24) Coal and ore wharves	248,089			18
19		(25) TOFC/COFC terminals	751,381			19
20		(26) Communications systems	602,527			20
21		(27) Signals and interlocker	1,713,604			21
22		(29) Power plants	2,775			22
23		(31) Power-transmissions systems	41,065			23
24		(35) Miscellaneous structures	13,743			24
25		(37) Roadway machines	662,115			25
26		(39) Public improvements-Construction	387,004			26
27		(44) Shop machinery	152,902			27
28		(45) Power-plant machinery	15,287			28
29		Other (specify and explain)				29
30		TOTAL EXPENDITURES FOR ROAD	27,322,853			30
31		(52) Locomotives *	5,120,200			31
32		(53) Freight-train cars	3,276,166			32
33		(54) Passenger-train cars				33
34		(55) Highway revenue equipment	532,687			34
35		(56) Floating equipment				35
36		(57) Work equipment	172,153			36
37		(58) Miscellaneous equipment	247,062			37
38		(59) Computer systems and word processing equip	486,992			38
39		TOTAL EQUIPMENT	9,835,260			39
40		(76) Interest during construction				40
41		(80) Other elements of investment				41
42		(90) Construction in progress	712,979			42
43		GRAND TOTAL	37,871,092			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		76,821	673	76,148	2,205,763	1
2		71,704	27	71,677	3,167,741	2
3		40		40	18,997	3
4		31,837		31,837	402,660	4
5		170,333	6,070	164,263	2,734,717	5
6					42,582	6
7		290,931	73,335	217,596	4,800,369	7
8		374,665	80,656	294,009	6,467,249	8
9		134,148	25,257	108,891	2,468,409	9
10					7,132	10
11		36,210	1,607	34,603	795,940	11
12		96	18	78	49,824	12
13						13
14		6,099		6,099	104,570	14
15		12,557	338	12,219	476,995	15
16					871	16
17		114	1,264	(1,150)	4,852	17
18		912	353	559	248,648	18
19		48,252	3,153	45,099	796,480	19
20		28,391	(657)	29,048	631,575	20
21		183,244	49,119	134,125	1,847,729	21
22					2,775	22
23		581		581	41,646	23
24		671	122	549	14,292	24
25		31,948	14,947	17,001	679,116	25
26		45,297	21,613	23,684	410,688	26
27		15,506	1,190	14,316	167,218	27
28			8	(8)	15,279	28
29						29
30		1,560,357	279,093	1,281,264	28,604,117	30
31		209,219	38,239	170,980	5,291,180	31
32		237,857	76,617	161,240	3,437,406	32
33						33
34		113,146	4,313	108,833	641,520	34
35						35
36		5,413	(2,232)	7,645	179,798	36
37		16,460	11,161	5,299	252,361	37
38		41,561	29,032	12,529	499,521	38
39		623,656	157,130	466,526	10,301,786	39
40						40
41						41
42		203,704	(11,258)	214,962	927,941	42
43		2,387,717	424,965	1,962,752	39,833,844	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)	Depreciation base		Annual composite rate (percent)	
		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	3,027,364	3,081,617	2.33%			1	
2	(4) Other, right-of-way expenditures	18,412	18,452	1.11%			2	
3	(5) Tunnels and subways	370,514	400,488	1.12%			3	
4	(6) Bridges, trestles, and culverts	2,522,419	2,654,871	1.55%			4	
5	(7) Elevated structures*	42,582	42,582	6.65%			5	
6	(8) Ties	4,377,738	4,553,229	4.60%			6	
7	(9) Rail and other track material	5,682,702	5,900,582	2.56%			7	
8	(11) Ballast	2,232,705	2,326,402	2.71%			8	
9	(13) Fences, snow sheds, and signs	6,906	6,906	1.11%			9	
10	(16) Station and office buildings	721,270	752,229	2.52%			10	
11	(17) Roadway buildings	49,542	49,593	2.30%			11	
12	(18) Water stations			0.00%			12	
13	(19) Fuel stations	98,056	103,913	3.28%			13	
14	(20) Shops and enginehouses	455,894	466,864	2.03%	NOT APPLICABLE - 5 % RULE			14
15	(22) Storage warehouses	871	871	2.50%			15	
16	(23) Wharves and docks	6,001	4,738	3.33%			16	
17	(24) Coal and ore wharves	248,089	248,647	3.09%			17	
18	(25) TOFC/COFC terminals	748,769	768,306	3.06%			18	
19	(26) Communications systems	590,645	615,413	3.90%			19	
20	(27) Signals and interlocker	1,630,903	1,748,237	1.82%			20	
21	(29) Power plants	2,771	2,771	3.07%			21	
22	(31) Power-transmissions systems	40,592	41,172	2.27%			22	
23	(35) Miscellaneous structures	13,175	13,724	2.57%			23	
24	(37) Roadway machines	662,111	677,923	5.34%			24	
25	(39) Public improvements-Construction	376,436	392,636	7.61%			25	
26	(44) Shop machinery	152,902	165,986	3.59%			26	
27	(45) Power-plant machinery	15,285	15,278	2.27%			27	
28	All other road accounts			0.00%			28	
29	Amortization (Adjustments)			0.00%			29	
30	TOTAL ROAD	24,094,654	25,053,430	2.94%			30	
	EQUIPMENT							
31	(52) Locomotives	5,119,083	5,281,888	3.31%			31	
32	(53) Freight-train cars	3,276,110	3,453,686	2.84%			32	
33	(54) Passenger-train cars			0.00%			33	
34	(55) Highway revenue equipment	532,687	621,023	7.42%			34	
35	(56) Floating equipment			0.00%			35	
36	(57) Work equipment	172,154	175,355	2.14%			36	
37	(58) Miscellaneous equipment	247,063	251,132	7.82%			37	
38	(59) Computer systems and word processing equipment	486,991	500,514	11.12%			38	
39	TOTAL EQUIPMENT	9,834,088	10,283,598	3.80%			39	
40	GRAND TOTAL	33,928,742	35,337,028	3.19%			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	794,826	66,836		27		861,635	1
2		(4) Other, right-of-way expenditures	2,182	200		1		2,381	2
3		(5) Tunnels and subways	56,509	4,195				60,704	3
4		(6) Bridges, trestles, and culverts	429,729	38,824		6,025		462,528	4
5		(7) Elevated structures	40,037	452				40,489	5
6		(8) Ties	1,441,886	209,215		120,398		1,530,703	6
7		(9) Rail and other track material	1,747,878	151,816		57,622		1,842,072	7
8		(11) Ballast	446,397	64,821		23,272		487,946	8
9		(13) Fences, snow sheds, and signs	4,072	70		(1)		4,143	9
10		(16) Station and office buildings	299,224	21,760		1,442		319,542	10
11		(17) Roadway buildings	32,141	933		18		33,056	11
12		(18) Water stations							12
13		(19) Fuel stations	25,036	3,348				28,384	13
14		(20) Shops and enginehouses	117,547	9,228		339		126,436	14
15		(22) Storage warehouses	984	2				986	15
16		(23) Wharves and docks	1,928	115		15		2,028	16
17		(24) Coal and ore wharves	95,869	7,705		1,602		101,972	17
18		(25) TOFC/COFC terminals	202,769	23,366		1,293		224,842	18
19		(26) Communications systems	322,354	19,976		38		342,292	19
20		(27) Signals and interlocker	259,723	30,454		46,762		243,414	20
21		(29) Power plants	2,557	24		(1)		2,582	21
22		(31) Power-transmissions systems	17,098	796				17,894	22
23		(35) Miscellaneous structures	9,856	254		123		9,987	23
24		(37) Roadway machines	213,847	32,858		13,519		233,186	24
25		(39) Public improvements-Construction	(57,898)	60,192		21,193		(18,899)	25
26		(44) Shop machinery*	61,666	5,098		1,163		65,601	26
27		(45) Power-plant machinery	10,811	240		8		11,043	27
28		All other road accounts							28
29		Amortization (Adjustments)							29
30		TOTAL ROAD	6,579,028	752,778		294,858	1	7,036,947	30
EQUIPMENT									
31	*	(52) Locomotives	2,010,222	150,996	58	35,236		2,126,040	31
32	*	(53) Freight-train cars	1,411,440	67,253		56,794	12	1,421,887	32
33	*	(54) Passenger-train cars							33
34	*	(55) Highway revenue equipment	177,319	64,931	372	4,132		238,490	34
35	*	(56) Floating equipment							35
36	*	(57) Work equipment	69,548	3,201	19,116	(898)		92,763	36
37	*	(58) Miscellaneous equipment	102,100	17,334		9,815	19,488	90,131	37
38		(59) Computer systems and WP Equip.	280,819	43,240		28,309		295,750	38
39	*	Amortization Adjustments							39
40		TOTAL EQUIPMENT	4,051,448	346,955	19,546	133,388	19,500	4,265,061	40
41		GRAND TOTAL	10,630,476	1,099,733	19,546	428,246	19,501	11,302,008	41

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

NOTES AND REMARKS

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

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

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

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

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

1. Show in column (b) for each primary account the depreciation base used in computing the depreciation charges for the month of January, and in column (c) show the depreciation base used in computing the depreciation charges for the month of December, in column (d) show the composite rates used in computing the depreciation charges for the month of December, and on lines 30 and 40 of these columns show the composite percentage of all road and equipment accounts, respectively, ascertained by applying the primary account composite rates to the depreciation base used in computing the charges for December and dividing the total so computed by the total depreciation base for the same month. This schedule should include only improvements to leased property charges to Account 732, "Improvements on Leased Property." The composite rates used should be those prescribed or otherwise authorized by the Commission, except that where the use of component rates has been authorized, the composite rates to be shown for the respective primary accounts should be recomputed from the December charges developed by the use of the authorized rates. If any charges in rates were effective during the year, give full particulars in a footnote.
2. All improvements to leased properties may be combined and one composite rate computed for each primary account, or a separate schedule may be included for each such property.
3. If depreciation accruals have been discontinued for any account, the depreciation base should be reported, nevertheless, in support of depreciation reserves. Authority for the discontinuance of accruals should be shown in a footnote indicating the account(s) affected.
4. Disclosures in the respective sections of this schedule may be omitted if either total road leased from others or total equipment leased from others represents less than 5% of total road owned or total equipment owned, respectively. However, line 41, Grand Total, should be completed.

Line No.	Account (a)	Depreciation base		Annual composite rate (percent) (d)	No.
		At beginning of year (b)	At close of year (c)		
	ROAD				
1	(3) Grading				1
2	(4) Other, right-of-way expenditures				2
3	(5) Tunnels and subways				3
4	(6) Bridges, trestles, and culverts				4
5	(7) Elevated structures				5
6	(8) Ties				6
7	(9) Rail and other track material				7
8	(11) Ballast				8
9	(13) Fences, snow sheds, and signs				9
10	(16) Station and office buildings				10
11	(17) Roadway buildings				11
12	(18) Water stations				12
13	(19) Fuel stations				13
14	(20) Shops and enginehouses	NOT APPLICABLE - 5 % RULE			14
15	(22) Storage warehouses				15
16	(23) Wharves and docks				16
17	(24) Coal and ore wharves				17
18	(25) TOFC/COFC terminals				18
19	(26) Communications systems				19
20	(27) Signals and interlocker				20
21	(29) Power plants				21
22	(31) Power-transmissions systems				22
23	(35) Miscellaneous structures				23
24	(37) Roadway machines				24
25	(39) Public improvements-Construction				25
26	(44) Shop machinery*				26
27	(45) Power-plant machinery				27
28	All other road accounts				28
29	Amortization (Adjustments)				29
30	TOTAL ROAD				30
	EQUIPMENT				
31	(52) Locomotives				31
32	(53) Freight-train cars				32
33	(54) Passenger-train cars				33
34	(55) Highway revenue equipment				34
35	(56) Floating equipment				35
36	(57) Work equipment				36
37	(58) Miscellaneous equipment				37
38	(59) Computer systems and word processing equipment				38
39	Amortization Adjustments				39
40	TOTAL EQUIPMENT				40
41	GRAND TOTAL	885,668	919,840	2.77%	41

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

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

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

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO RESERVE During the year		DEBITS TO RESERVE During the year		Balance at close of year (g)	Line No.
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
		ROAD							
1		(3) Grading							1
2		(4) Other, right-of-way expenditures							2
3		(5) Tunnels and subways							3
4		(6) Bridges, trestles, and culverts							4
5		(7) Elevated structures							5
6		(8) Ties							6
7		(9) Rail and other track material							7
8		(11) Ballast							8
9		(13) Fences, snow sheds, and signs							9
10		(16) Station and office buildings							10
11		(17) Roadway buildings							11
12		(18) Water stations							12
13		(19) Fuel stations		NOT APPLICABLE - 5 % RULE					13
14		(20) Shops and enginehouses							14
15		(22) Storage warehouses							15
16		(23) Wharves and docks							16
17		(24) Coal and ore wharves							17
18		(25) TOFC/COFC terminals							18
19		(26) Communications systems							19
20		(27) Signals and interlocker							20
21		(29) Power plants							21
22		(31) Power-transmissions systems							22
23		(35) Miscellaneous structures							23
24		(37) Roadway machines							24
25		(39) Public improvements-Construction							25
26		(44) Shop machinery*							26
27		(45) Power-plant machinery							27
28		All other road accounts							28
29		TOTAL ROAD							29
		EQUIPMENT							
30		(52) Locomotives							30
31		(53) Freight-train cars							31
32		(54) Passenger-train cars							32
33		(55) Highway revenue equipment							33
34		(56) Floating equipment							34
35		(57) Work equipment							35
36		(58) Miscellaneous equipment							36
37		(59) Computer systems and WP equip.							37
38		TOTAL EQUIPMENT							38
39		GRAND TOTAL	285,098	20,041	13	15,468	58	289,626	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:

9 (Rail and other track material) from 25 (TOFC/COFC terminals)	1,015,279.16
23 (Wharves and docks) to 24 (Coal and ore wharves)	(1,263,696.34)
24 (Coal and ore wharves) from 23 (Wharves and docks)	1,263,696.34
25 (TOFC/COFC terminals) to 9 (Rail and other track material)	(1,015,279.16)
25 (TOFC/COFC terminals) to 26 (Communication systems)	(735,829.12)
26 (Communication systems) from 25 (TOFC/COFC terminals)	735,829.12
53 (Freight-train cars) to 57 (Work equipment)	(3,345,859.94)
57 (Work equipment) from 53 (Freight-train cars)	3,345,859.94

SCHEDULE 335

(Dollars in Thousands)

Column (D) Other Credits

- 58 Reserve Transferred from Leasehold Improvement Accumulated Reserve
- 19,488 Transfer Between Subaccounts

19,546 Total Other Credits

Column (F) Other Debits

- 1 Reserve transferred to Leasehold Improvement Accumulated Reserve
- 12 Reserve transferred to Leasehold Improvement Accumulated Reserve
- 19,488 Transfer Between Subaccounts

19,501 Total Other Debits

SCHEDULE 342

(Dollars in Thousands)

Column (D) Other Credits

- 13 Reserve transferred to Leasehold Improvement Accumulated Reserve
- 13

Column (F) Other Debits

- 58 Reserve transferred from Leasehold Improvement Accumulated Reserve
- 58

350. DEPRECIATION BASE AND RATES - ROAD AND EQUIPMENT LEASED TO OTHERS

(Dollars in Thousands)

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

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

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

NOTES AND REMARKS

Included in Schedule 332

351. ACCUMULATED DEPRECIATION - ROAD AND EQUIPMENT LEASED TO OTHERS

(Dollars in Thousands)

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

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

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

NOTES AND REMARKS

Included in Schedule 335

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

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

Line No.	Class (See Ins. 2) (a)	Name of company (b)	Miles of road used (See Ins. 4) (whole number) (c)	Investments in property (See Ins. 5) (d)	Depreciation & amortization of defense projects (See Ins. 6) (e)	Line No.
1	R	Norfolk Southern Combined Railroad Subsidiaries	16,415	39,833,844	11,591,634	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	1,086	12
13	R	Athens Lines LLC	31	13,745	3,772	13
14	R	Autauga Northern Railway	44	17,850	7,113	14
15	R	B&H Rail Corp.	17	8,896	2,576	15
16	R	Buckingham Branch	57	15,020	11,357	16
17	R	Buffalo & Pittsburgh Railroad	36	6,204	2,149	17
18	R	C & NC Railroad	21	8,036	3,615	18
19	R	Carolina Coastal Railway	157	30,137	18,336	19
20	R	CaterParrott Railnet	34	8,046	5,563	20
21	R	Central Railroad Company of Indianapolis	16	5,428	1,493	21
22	R	Charleston, Blue Creek & Sanderson	17	3,547	1,026	22
23	R	Cleveland Commercial Railroad	25	25,700	3,517	23
24	R	Columbus & Ohio River Railroad	1	799	160	24
25	R	Columbus & Chattahoochee Railroad	26	9,787	3,754	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	East Chattanooga Belt Railway	4	2,473	812	26
27	R	East Penn Railroad LLC	5	5,337	1,263	27
28	R	Elkhart & Western	23	7,348	3,102	28
29	R	Georgia Southern Railway	57	17,385	9,292	29
30	R	Grand Elk Railroad LLC	123	61,962	12,941	30
31	R	Hilton & Albany Railroad	55	18,392	6,194	31
32	R	Iowa Interstate	13	14,368	10,851	32
33	R	Jackson & Lansing Railroad	44	18,582	4,765	33
34	R	Lehigh Railway	56	63,055	12,681	34
35	R	Middletown & New Jersey Railroad LLC	36	21,949	3,886	35
36	R	North Carolina & Virginia Railroad	77	12,416	9,511	36
37	R	RSL Railroad LLC	1	1,666	247	37
38	R	R J Corman Co.	16	4,594	1,921	38
39	R	Yadkin Valley Railroad	102	25,047	13,993	39
40						40
41		SUB-TOTAL	1,221	447,909	169,180	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						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	15,531	39,439,024	11,422,454	75

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352B INVESTMENT IN RAILWAY PROPERTY USED IN TRANSPORTATION SERVICE

(By Property Accounts)

(Dollars in Thousands)

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

Line No.	Cross Check	Account (a)	Respondent (b)	Lessor railroads (c)	Inactive (proprietary companies) (d)	Other leased properties (e)	Line No.
1		(2) Land for transportation purpose	2,168,465	5,493			1
2		(3) Grading	3,109,603	21,826			2
3		(4) Other, right-of-way expenditures	18,990	137			3
4		(5) Tunnels and subways	402,660	5,574			4
5		(6) Bridges, trestles, and culverts	2,687,963	10,687			5
6		(7) Elevated structures	42,582				6
7		(8) Ties	4,689,042	1,174			7
8		(9) Rail and other track material	6,350,538	5,884			8
9		(11) Ballast	2,417,960	2,156			9
10		(13) Fences, snow sheds, and signs	7,120	181			10
11		(16) Station and office buildings	795,048	1,288			11
12		(17) Roadway buildings	49,788	71			12
13		(18) Water stations		24			13
14		(19) Fuel stations	104,570	70			14
15		(20) Shops and enginehouses	476,984	47			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	629,314	204			20
21		(27) Signals and interlocker	1,841,418	666			21
22		(29) Power plants	2,775				22
23		(31) Power-transmissions systems	41,643				23
24		(35) Miscellaneous structures	14,292	6			24
25		(37) Roadway machines	679,116				25
26		(39) Public improvements-Construction	392,989	1,445			26
27		(44) Shop machinery*	167,218	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	28,156,208	60,618			31
32		(52) Locomotives	5,291,180				32
33		(53) Freight-train cars	3,437,406				33
34		(54) Passenger-train cars					34
35		(55) Highway revenue equipment	641,520				35
36		(56) Floating equipment					36
37		(57) Work equipment	179,798				37
38		(58) Miscellaneous equipment	252,361				38
39		(59) Computer systems and word processing equip	499,521				39
40		TOTAL EQUIPMENT	10,301,786				40
41		(76) Interest during construction		2,580			41
42		(80) Other elements of investment		(10,109)			42
43		(90) Construction in progress	927,941				43
44		GRAND TOTAL	39,385,935	53,089			44

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 410

Cross Checks

Schedule 410

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

Schedule 414

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

Schedule 417

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

Schedule 210

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

Schedule 410

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

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

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

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

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

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

Schedule 412

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

Schedule 415

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

Schedule 414

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

Schedule 415

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

Lines 5, 38, column (b)

Lines 24, 39, column (b)

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

410. RAILWAY OPERATING EXPENSES

(Dollars in Thousands)

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

Line No.	Cross Check	Name of railway operating expense account (a)	FREIGHT					Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)			
		WAY AND STRUCTURES:	\$	\$	\$	\$	\$	\$		
		ADMINISTRATION:								
1		Track	725	896	2,989	2,511	7,121		7,121	1
2		Bridge and Building	14	167	1,838	329	2,348		2,348	2
3		Signal	69	248	899	1,158	2,374		2,374	3
4		Communication	15	11	133	534	693		693	4
5		Other	2,516				2,516		2,516	5
		TOTAL ADMINISTRATION	3,339	1,322	5,859	4,532	15,052		15,052	
		REPAIR AND MAINTENANCE:								
6		Roadway - Running	16,533	305	30,753		47,591		47,591	6
7		Roadway - Switching	1,345	5	707		2,057		2,057	7
8		Tunnels and Subways - Running			36		36		36	8
9		Tunnels and Subways - Switching			2		2		2	9
10		Bridges and Culverts - Running	20,552	1,455	13,523	3,137	38,667		38,667	10
11		Bridges and Culverts - Switching	785	114	1,034	100	2,033		2,033	11
12		Ties - Running	12,640	5,682	4,144	1,095	23,561		23,561	12
13		Ties - Switching	130	396			526		526	13
14		Rail and Other Track Material - Running	81,433	21,353	39,193	13,598	155,577		155,577	14
15		Rail and Other Track Material - Switching	3,775	1,545	1,769	356	7,445		7,445	15
16		Ballast - Running	4,615	1,891	1,226	95	7,827		7,827	16
17		Ballast - Switching	257	105	78	1	441		441	17
18		Road Property Damaged - Running	4,890	5,699	5,232	20	15,841		15,841	18
19		Road Property Damaged - Switching								19
20		Road Property Damaged - Other	5	4	6		15		15	20
21		Signals and Interlockers - Running	40,600	12,346	8,699	1,180	62,825		62,825	21
22		Signals and Interlockers - Switching	5,397	114	13	22	5,546		5,546	22
23		Communications Systems	1,300	2,614	8,607	12	12,533		12,533	23
24		Power Systems	1,183	239			1,422		1,422	24
25		Highway Grade Crossings- Running	776	3,022	7,702	1,417	12,917		12,917	25
26		Highway Grade Crossings- Switching		210	237		447		447	26
27		Station and Office Buildings	1,669	1,101	16,888	53	19,711		19,711	27
28		Shop Buildings - Locomotives	3,056	1,745	15,721	10	20,532		20,532	28
29		Shop Buildings - Freight Cars	329	664	3,298		4,291		4,291	29
30		Shop Buildings - Other Equipment	33	26			59		59	30

410. RAILWAY OPERATING EXPENSES - Continued

(Dollars in Thousands)

46

Line No.	Cross Check	Name of railway operating expense account (a)	FREIGHT					Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)			
		REPAIR AND MAINTENANCE - Continued:								
101		Locomotive Servicing Facilities	9				9		9	101
102		Miscellaneous Buildings and Structures	871	979	3,730		5,580		5,580	102
103		Coal Terminals	2,021	2,342	3,610	1	7,974		7,974	103
104		Ore Terminals								104
105		Other Marine Terminals								105
106		TOFC/COFC Terminals	123	1,136	14,620		15,879		15,879	106
107		Motor Vehicle Loading and Distribution Facilities			470		470		470	107
108		Facilities for Other Specialized Service Operations		1,045	2,511	124	3,680		3,680	108
109		Roadway Machines	11,732	24,012	1,719	839	38,302		38,302	109
110		Small Tools and Supplies		17,907	2,074		19,981		19,981	110
111		Snow Removal	4,455	81	6,546		11,082		11,082	111
112		Fringe Benefits - Running				122,532	122,532		122,532	112
113		Fringe Benefits - Switching				4,242	4,242		4,242	113
114		Fringe Benefits - Other				11,973	11,973		11,973	114
115		Casualties and Insurance - Running				23,832	23,832		23,832	115
116		Casualties and Insurance - Switching				1,770	1,770		1,770	116
117		Casualties and Insurance - Other				5,160	5,160		5,160	117
118	*	Lease Rentals - Debit- Running			39,790		39,790		39,790	118
119	*	Lease Rentals - Debit - Switching			150,273		150,273		150,273	119
120	*	Lease Rentals - Debit - Other			12,649		12,649		12,649	120
121	*	Lease Rentals - (Credit) - Running			(10,239)		(10,239)		(10,239)	121
122	*	Lease Rentals - (Credit) - Switching								122
123	*	Lease Rentals - (Credit) - Other								123
124		Joint Facility Rent - Debit - Running			6,249		6,249		6,249	124
125		Joint Facility Rent - Debit - Switching			1,383		1,383		1,383	125
126		Joint Facility Rent - Debit - Other			92		92		92	126
127	*	Joint Facility Rent - (Credit) - Running			(8,966)		(8,966)		(8,966)	127
128	*	Joint Facility Rent - (Credit) - Switching			(629)		(629)		(629)	128
129	*	Joint Facility Rent - (Credit) - Other			(2)		(2)		(2)	129
130	*	Other Rents - Debit-Running			5,644		5,644		5,644	130
131	*	Other Rents - Debit -Switching								131
132	*	Other Rents - Debit -Other			2,848		2,848		2,848	132
133	*	Other Rents - (Credit) -Running								133
134	*	Other Rents - (Credit) -Switching								134
135	*	Other Rents - (Credit) -Other			(1,727)		(1,727)		(1,727)	135

Road Initials: NS Rail Year 2015

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)			
136	*	REPAIR AND MAINTENANCE - Continued: Depreciation - Running				385,411	385,411		385,411	136
137	*	Depreciation - Switching				54,712	54,712		54,712	137
138	*	Depreciation - Other				314,983	314,983		314,983	138
139		Joint Facility - Debit - Running			55,276		55,276		55,276	139
140		Joint Facility - Debit - Switching			8,413		8,413		8,413	140
141		Joint Facility - Debit - Other			180		180		180	141
142		Joint Facility - (Credit) - Running			(31,016)		(31,016)		(31,016)	142
143		Joint Facility - (Credit) - Switching			(1,951)		(1,951)		(1,951)	143
144		Joint Facility - (Credit) - Other			(291)		(291)		(291)	144
145		Dismantling Retired Road Property - Running								145
146		Dismantling Retired Road Property - Switching								146
147		Dismantling Retired Road Property - Other								147
148		Other - Running	2,627			2,790	5,417		5,417	148
149		Other - Switching			6		6		6	149
150		Other - Other								150
		TOTAL REPAIR AND MAINTENANCE	223,141	108,137	422,130	949,465	1,702,873		1,702,873	
151		TOTAL WAY AND STRUCTURES	226,480	109,459	427,989	953,997	1,717,925		1,717,925	151
		EQUIPMENT:								
		LOCOMOTIVES:								
201		Administration	9,369	535	2,201	1,221	13,326		13,326	201
202	*	Repair and Maintenance	118,722	239,886	26,323	176	385,107		385,107	202
203	*	Machinery Repair	4,697	2,127	1,022	10	7,856		7,856	203
204		Equipment Damaged	110	101			211		211	204
205		Fringe Benefits				48,643	48,643		48,643	205
206		Other Casualties and Insurance				18,460	18,460		18,460	206
207	*	Lease Rentals - Debit			740		740		740	207
208	*	Lease Rentals - (Credit)			(8,265)		(8,265)		(8,265)	208
209		Joint Facility Rent - Debit								209
210	*	Joint Facility Rent - (Credit)								210
211	*	Other Rents - Debit			287		287		287	211
212	*	Other Rents - (Credit)								212
213	*	Depreciation				152,428	152,428		152,428	213
214		Joint Facility - Debit								214
215		Joint Facility - (Credit)								215
216	*	Repairs Billed to Others - (Credit)			(3,293)		(3,293)		(3,293)	216
217		Dismantling Retired Property								217

410. RAILWAY OPERATING EXPENSES - Continued

(Dollars in Thousands)

Line No.	Cross Check	Name of railway operating expense account (a)	FREIGHT					Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)			
		LOCOMOTIVES - Continued:								
218		Other	9,484	30		2	9,516		9,516	218
219		TOTAL LOCOMOTIVES	142,382	242,679	19,015	220,940	625,016		625,016	219
		FREIGHT CARS:								
220		Administration	4,819	615	4,073	694	10,201	N/A	10,201	220
221	*	Repair and Maintenance	48,197	75,814	73,916	187	198,114	N/A	198,114	221
222	*	Machinery Repair	818	399	4,558		5,775	N/A	5,775	222
223		Equipment Damaged	4,036	5,463			9,499	N/A	9,499	223
224		Fringe Benefits				25,108	25,108	N/A	25,108	224
225		Other Casualties and Insurance				11,139	11,139	N/A	11,139	225
226	*	Lease Rentals - Debit			36,792		36,792	N/A	36,792	226
227	*	Lease Rentals - (Credit)			(13,190)		(13,190)	N/A	(13,190)	227
228		Joint Facility Rent - Debit						N/A		228
229	*	Joint Facility Rent - (Credit)						N/A		229
230	*	Other Rents - Debit			477,004		477,004	N/A	477,004	230
231	*	Other Rents - (Credit)			(184,363)		(184,363)	N/A	(184,363)	231
232	*	Depreciation				70,600	70,600	N/A	70,600	232
233		Joint Facility - Debit						N/A		233
234		Joint Facility - (Credit)						N/A		234
235	*	Repairs Billed to Others - (Credit)			(63,194)		(63,194)	N/A	(63,194)	235
236		Dismantling Retired Property						N/A		236
237		Other	7,805	28,219		88	36,112	N/A	36,112	237
238		TOTAL FREIGHT CARS	65,675	110,510	335,596	107,816	619,597	N/A	619,597	238
		OTHER EQUIPMENT:								
301		Administration		148		872	1,020		1,020	301
		Repair and Maintenance:								
302	*	Trucks, Trailers and Containers - Revenue Service		5,375	59,783	152	65,310	N/A	65,310	302
303	*	Floating Equipment - Revenue Service						N/A		303
304	*	Passenger and Other Revenue Equipment								304
305	*	Computer Systems and Word Processing Equipment		1,574	80,617	51	82,242		82,242	305
306	*	Machinery	133	108	59		300		300	306
307	*	Work and Other Non-Revenue Equipment	2,561	2,629	15,320	14	20,524		20,524	307
308		Machinery								308
309		Fringe Benefits				3,284	3,284		3,284	309
310		Other Casualties and Insurance				927	927		927	310
311	*	Lease Rentals - Debit			12,770		12,770		12,770	311

410. RAILWAY OPERATING EXPENSES - Continued

(Dollars in Thousands)

Line No.	Cross Check	Name of railway operating expense account (a)	FREIGHT					Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)			
		OTHER EQUIPMENT - Continued:								
312	*	Lease Rentals - (Credit)								312
313		Joint Facility Rent - Debit			140			140		313
314	*	Joint Facility Rent - (Credit)			(7)			(7)		314
315	*	Other Rents - Debit			28,400			28,400		315
316	*	Other Rents - (Credit)			(30,415)			(30,415)		316
317	*	Depreciation				129,063		129,063		317
318		Joint Facility - Debit			36			36		318
319		Joint Facility - (Credit)								319
320	*	Repairs Billed to Others - (Credit)			(7,031)			(7,031)		320
321		Dismantling Retired Property								321
322		Other								322
323		TOTAL OTHER EQUIPMENT	2,694	9,834	159,672	134,363		306,563		323
324		TOTAL EQUIPMENT	210,751	363,023	514,283	463,119		1,551,176		324
		TRANSPORTATION:								
		TRAIN OPERATIONS:								
401		Administration	8,097	4,584	975	6,014		19,670		401
402		Engine Crews	393,568	410	25,998	22,993		442,969		402
403		Train Crews	305,758	2,091	21,440	20,298		349,587		403
404		Dispatching Trains	42,571	27		55		42,653		404
405		Operating Signals and Interlockers	43,724	75	3	519		44,321		405
406		Operating Drawbridges	2,420					2,420		406
407		Highway Crossing Protection	24	122	4,529	277		4,952		407
408		Train Inspection and Lubrication	60,106	41				60,147		408
409	*	Locomotive Fuel		806,242				806,242		409
410		Electric Power Purchased or Produced for Motive Power								410
411		Servicing Locomotives	35,328	6,387	12,967	25		54,707		411
412		Freight Lost or Damaged - Solely Related								412
413		Clearing Wrecks	232	13	12,051			12,296		413
414		Fringe Benefits				341,734		341,734		414
415		Other Casualties and Insurance				39,790		39,790		415
416		Joint Facility - Debit			826			826		416
417		Joint Facility - (Credit)			(120)			(120)		417
418		Other	1,677	8	81,495	873		84,053		418
419		TOTAL TRAIN OPERATIONS	893,505	820,000	160,164	432,578		2,306,247		419

410. RAILWAY OPERATING EXPENSES - Continued

(Dollars in Thousands)

Line No.	Cross Check	Name of railway operating expense account (a)	FREIGHT					Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)			
		YARD OPERATIONS:								
420		Administration	203	555	1,146	880	2,784		2,784	420
421		Switch Crews	202,495	1,236	30,062	795	234,588		234,588	421
422		Controlling Operations	36,841	219	115	22	37,197		37,197	422
423		Yard and Terminal Clerical	3,285	5,546	3,231	368	12,430		12,430	423
424		Operating Switches, Signals, Retarders and Humps		838	8		846		846	424
425	*	Locomotive Fuel		53,296			53,296		53,296	425
426		Electric Power Purchased or Produced for Motive Power								426
427		Servicing Locomotives	364			2	366		366	427
428		Freight Lost or Damaged - Soley Related								428
429		Clearing Wrecks	90				90		90	429
430		Fringe Benefits				103,717	103,717		103,717	430
431		Other Casualties and Insurance				11,881	11,881		11,881	431
432		Joint Facility - Debit			9,811		9,811		9,811	432
433		Joint Facility - (Credit)			(758)		(758)		(758)	433
434		Other			6		6		6	434
435		TOTAL YARD OPERATIONS	243,278	61,690	43,621	117,665	466,254		466,254	435
		TRAIN AND YARD OPERATIONS COMMON:								
501		Cleaning Car Interiors	812	2	3,700		4,514		4,514	501
502		Adjusting and Transferring Loads	28	1	769		798	N/A	798	502
503		Car Loading Devices and Grain Doors	2				2	N/A	2	503
504		Freight Lost or Damaged - All Other				18,837	18,837		18,837	504
505		Fringe Benefits				205	205		205	505
506		TOTAL TRAIN AND YARD OPERATIONS COMMON	842	3	4,469	19,042	24,356		24,356	506
		SPECIALIZED SERVICES OPERATIONS:								
507	*	Administration	26,352	886	13,164	827	41,229	N/A	41,229	507
508	*	Pickup and Delivery and Marine Line Haul	11,155	27,745	137,233	600	176,733	N/A	176,733	508
509	*	Loading and Unloading and Local Marine	9,674	3,869	322,023	16	335,582	N/A	335,582	509
510	*	Protective Services		1,143	102		1,245	N/A	1,245	510
511	*	Freight Lost or Damaged - Solely Related						N/A		511
512	*	Fringe Benefits				6,089	6,089	N/A	6,089	512
513	*	Casualties and Insurance				1,943	1,943	N/A	1,943	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	47,181	33,643	472,523	9,475	562,822	N/A	562,822	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		151	3,264	975	4,390		4,390	518
519		Employees Performing Clerical and Accounting Functions	19,234	565	2,438	1,481	23,718		23,718	519
520		Communications Systems Operation	825			12	837		837	520
521		Loss and Damage Claims Processing		28	2,712	21	2,761		2,761	521
522		Fringe Benefits				12,999	12,999		12,999	522
523		Casualties and Insurance				1,473	1,473		1,473	523
524		Joint Facility - Debit								524
525		Joint Facility - (Credit)								525
526		Other								526
527		TOTAL ADMINISTRATIVE SUPPORT OPERATIONS	20,059	744	8,414	16,961	46,178		46,178	527
528		TOTAL TRANSPORTATION	1,204,865	916,080	689,191	595,721	3,405,857		3,405,857	528
		GENERAL AND ADMINISTRATIVE:								
601		Officers - General Administration	85	1,466	564	3,273	5,388		5,388	601
602		Accounting, Auditing and Finance	4,352	261	5,575	6	10,194		10,194	602
603		Management Services and Data Processing	494	366	69,478	471	70,809		70,809	603
604		Marketing	541	67	10,917	3,830	15,355		15,355	604
605		Sales		51	74	167	292		292	605
606		Industrial Development	61	216	882	286	1,445	N/A	1,445	606
607		Personnel and Labor Relations	87	1,157	11,526	8,680	21,450		21,450	607
608		Legal and Secretarial		253	38,102	3,292	41,647		41,647	608
609		Public Relations and Advertising		211	11,741	1,355	13,307		13,307	609
610		Research and Development								610
611		Fringe Benefits				3,626	3,626		3,626	611
612		Casualties and Insurance				7,306	7,306		7,306	612
613		Writedown of Uncollectible Accounts				3,986	3,986		3,986	613
614		Property Taxes				139,965	139,965		139,965	614
615		Other Taxes Except on Corporate Income or Payrolls				33,576	33,576		33,576	615
616		Joint Facility - Debit								616
617		Joint Facility - (Credit)								617
618		Other	1,402	4,503	663,404	173,869	843,178		843,178	618
619		TOTAL GENERAL AND ADMINISTRATIVE	7,022	8,551	812,263	383,688	1,211,524		1,211,524	619
620	*	TOTAL CARRIER OPERATING EXPENSES	1,649,118	1,397,113	2,443,726	2,396,525	7,886,482		7,886,482	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	67,708	17,865	(4,602)	2
3		4	Other, right-of-way expenditures	206	54	(5)	3
4		5	Tunnels and subways	4,203	1,109	(89)	4
5		6	Bridges, trestles, and culverts	39,593	10,447	(1,477)	5
6		7	Elevated structures	452	119	(2,380)	6
7		8	Ties	213,977	56,459	(9)	7
8		9	Rail and other track material	159,620	42,116	(1,806)	8
9		11	Ballast	66,782	17,621	585	9
10		13	Fences, snow sheds, and signs	71	19	(5)	10
11		16	Station and office buildings	22,613	5,967	(2,662)	11
12		17	Roadway buildings	935	247	(207)	12
13		18	Water stations				13
14		19	Fuel stations	3,358	886	10	14
15		20	Shops and enginehouses	9,289	2,451	(164)	15
16		22	Storage warehouses	2	1	(20)	16
17		23	Wharves and docks	115	30	(57)	17
18		24	Coal and ore wharves	7,705	2,033	41	18
19		25	TOFC/COFC terminals	23,397	6,173	(451)	19
20		26	Communications systems	20,422	5,389	(3,473)	20
21		27	Signals and interlocker	32,665	8,619	(967)	21
22		29	Power plants	24	6	(61)	22
23		31	Power-transmissions systems	803	212	(136)	23
24		35	Miscellaneous structures	273	72	(70)	24
25		37	Roadway machines	20,281	5,351	(3,140)	25
26		39	Public improvements-Construction	60,372	15,929	30,206	26
27		45	Power plant machines	240	63	(107)	27
28			Other lease/rentals				28
29	*		Total	755,106	199,238	8,954	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		184	857	19,421	1,950	6,163	2
3		Box-Equipped		7,670	27,459	141	10,318	42,020	3
4		Gondola-Plain		994	6,655	1,046	591	2,215	4
5		Gondola-Equipped		2,651	10,810	28	2,158	8,255	5
6		Hopper-Covered		1,397	8,822	5,814	3,869	15,071	6
7		Hopper-Open Top-General Service		304	3,019	2	210	663	7
8		Hopper-Open Top-Special Service		55	1,581	3	209	884	8
9		Refrigerator-Mechanical				14	1,066	4,037	9
10		Refrigerator-Non-Mechanical				5	801	1,616	10
11		Flat-TOFC/COFC			9,607	108,902	7,699	27,857	11
12		Flat-Multi-Level		330	38,979	75,440	3,360	32,654	12
13		Flat-General Service		22	80	236	58	135	13
14		Flat-Other		389	2,070	14,505	2,520	9,529	14
15		Tank-Under 22,000 Gallons				2,221			15
16		Tank-22,000 Gallons and Over				7,557			16
17		All Other Freight Cars			4,430		14	59	17
18		Auto Racks			55,998			55,688	18
19		TOTAL FREIGHT TRAIN CARS		13,996	170,367	235,335	34,823	206,846	19
		OTHER FREIGHT CARRYING EQUIPMENT							
20		Refrigerated Trailers							20
21		Other Trailers							21
22		Refrigerated Containers							22
23		Other Containers			30,415	2,560		25,596	23
24	*	TOTAL TRAILERS AND CONTAINERS			30,415	2,560		25,596	24
25		GRAND TOTAL (LINES 19 AND 24)		13,996	200,782	237,895	34,823	232,442	25

NOTES AND REMARKS

Empty rectangular box for notes and remarks.

GENERAL INSTRUCTIONS CONCERNING RETURNS TO BE MADE TO SCHEDULE 415

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

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

415. SUPPORTING SCHEDULE - EQUIPMENT							
(Dollars in Thousands)							
See also schedule 415 (supplement) on pages 57A and B.							
Line No.	Cross Check	Types of equipment (a)	Repairs (net expense) (b)	Depreciation		Amortization Adjustment net during year (e)	Line No.
				Owned (c)	Capitalized lease (d)		
		LOCOMOTIVES					
1		Diesel Locomotive - Yard	27,205	3,671		(3,397)	1
2		Diesel Locomotive - Road	354,609	147,180	81	(17,769)	2
3		Other Locomotive - Yard		64			3
4		Other Locomotive - Road					4
5	*	TOTAL	381,814	150,915	81	(21,166)	5
		FREIGHT TRAIN CARS					
6		Box - Plain 40 Foot					6
7		Box - Plain 50 Foot and Longer	1,054	37		5	7
8		Box - Equipped	32,113	3,726		(5,042)	8
9		Gondola - Plain	41,867	7,614		(13,203)	9
10		Gondola - Equipped	12,524	5,574		(2,042)	10
11		Hopper - Covered	17,958	5,727		(1,873)	11
12		Hopper - Open Top - General Service	8,326	7,543		(6,465)	12
13		Hopper - Open Top - Special Service	3,417	2,771		(2,500)	13
14		Refrigerator - Mechanical	78				14
15		Refrigerator - Nonmechanical	29				15
16		Flat TOFC/COFC	1,326	(63)		(94)	16
17		Flat Multi - level	2,809	838		(130)	17
18		Flat - General Service	14	(37)		(52)	18
19		Flat - Other	4,934	675		(678)	19
20		All Other Freight Cars	5,383	14,171		(725)	20
21		Cabooses	52	60		(106)	21
22		Auto Racks	3,036	17,980		(6,833)	22
23		Miscellaneous Accessories		637		(1,115)	23
24	*	TOTAL FREIGHT TRAIN CARS	134,920	67,253		(40,853)	24
		OTHER EQUIPMENT - REVENUE FREIGHT HIGHWAY EQUIPMENT					
25		Refrigerated Trailers		205			25
26		Other Trailers	3,629	36,430		(74)	26
27		Refrigerated Containers					27
28		Other Containers	5,219	11,223			28
29		Bogies					29
30		Chassis	49,431	17,073			30
31		Other Highway Equipment (Freight)					31
32	*	TOTAL HIGHWAY EQUIPMENT	58,279	64,931		(74)	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.	82,242	43,240		(12,261)	37
38	*	Machinery - Locomotives (see notes 1, 4, 5)	7,856	1,427		(175)	38
39	*	Machinery - Freight Cars (see notes 2, 4, 5)	5,775	3,314		(407)	39
40	*	Machinery - Other Equipment (see notes 3, 4, 5)	300	357		(44)	40
41	*	Work & Other Non - revenue Equipment	20,524	20,535		(2,965)	41
42		TOTAL OTHER EQUIPMENT	116,697	68,873		(15,852)	42
43		TOTAL ALL EQUIPMENT (FREIGHT PORTION)	691,710	351,972	81	(77,945)	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			164,196		72,152		1
2		(7,525)	5,124,652		2,053,497		2
3			2,332		391		3
4							4
5		(7,525)	5,291,180		2,126,040		5
6							6
7			1,160		700		7
8		7,812	384,926		254,477		8
9		385	797,453		221,594		9
10		14,436	535,833		218,798		10
11		2,336	416,436		209,339		11
12		234	476,214		130,663		12
13			203,282		82,774		13
14							14
15							15
16		(5,717)	946		710		16
17		1,794	25,565		11,881		17
18		1,205	576		529		18
19			64,793		29,183		19
20			62,963		54,054		20
21			4,771		2,905		21
22		311	458,239		202,934		22
23			4,146		1,346		23
24		22,796	3,437,303		1,421,887		24
25			1,052		683		25
26		9,764	182,839		112,689		26
27							27
28		2,870	189,039		46,709		28
29							29
30			268,590		78,409		30
31							31
32		12,634	641,520		238,490		32
33							33
34							34
35							35
36							36
37			499,521		295,750		37
38		287	46,807		18,363		38
39			108,691		42,640		39
40			11,720		4,598		40
41		380	432,159		182,894		41
42		667	1,098,898		544,245		42
43		28,572	10,468,901		4,330,662		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)		
1		LOCOMOTIVES					
		Diesel Locomotive - Yard					1
2		Diesel Locomotive - Road		5			2
3		Other Locomotive - Yard					3
4		Other Locomotive - Road					4
5	*	TOTAL		5			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		33			22
23		Miscellaneous Accessories					23
24	*	TOTAL FREIGHT TRAIN CARS		33			24
		OTHER EQUIPMENT - REVENUE					
25		FREIGHT HIGHWAY EQUIPMENT					
		Refrigerated Trailers					25
26		Other Trailers					26
27		Refrigerated Containers					27
28		Other Containers					28
29		Bogies					29
30		Chassis					30
31		Other Highway Equipment (Freight)					31
32	*	TOTAL HIGHWAY EQUIPMENT					32
		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)		38			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		806	103		76		22
23							23
24		806	103		76		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		806	103		76		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.

416. SUPPORTING SCHEDULE - ROAD
(Dollars in Thousands)

Line No.	Density category (Class) (a)	Account No. (b)	Owned and used			Improvements to leased property			Capitalized leases			TOTAL		Line No.
			Inv. Base (c)	Accum depr. (d)	Depr. rate % (e)	Inv. Base (f)	Accum. depr. (g)	Depr. rate % (h)	Inv. base (i)	Current year Amort. (j)	Accum. Amort. (k)	Inv. Base (l)	Accum Depr. & Amort. (m)	
1	I	3	1,542,457	419,604	2.33%							1,542,457	419,604	1
2		8	2,111,819	700,918	4.60%							2,111,819	700,918	2
3		9	2,875,702	853,091	2.66%							2,875,702	853,091	3
4		11	1,098,302	235,549	2.71%							1,098,302	235,549	4
5	SUB-TOTAL		7,628,280	2,209,162								7,628,280	2,209,162	5
6	II	3	1,112,114	302,535	2.33%							1,112,114	302,535	6
7		8	1,877,614	623,186	4.60%							1,877,614	623,186	7
8		9	2,503,532	742,685	2.51%							2,503,532	742,685	8
9		11	954,940	204,803	2.71%							954,940	204,803	9
10	SUB-TOTAL		6,448,200	1,873,209								6,448,200	1,873,209	10
11	III	3	19,554	N/A	N/A		N/A	N/A		N/A	N/A	19,554	N/A	11
12		8	36,596	N/A	N/A		N/A	N/A		N/A	N/A	36,596	N/A	12
13		9	36,359	N/A	N/A		N/A	N/A		N/A	N/A	36,359	N/A	13
14		11	12,624	N/A	N/A		N/A	N/A		N/A	N/A	12,624	N/A	14
15	SUB-TOTAL		105,133				N/A	N/A		N/A	N/A	105,133	N/A	15
16	IV	3	493,616	134,282	2.33%							493,616	134,282	16
17		8	774,340	257,006	4.60%							774,340	257,006	17
18		9	1,051,656	311,979	2.30%							1,051,656	311,979	18
19		11	402,543	86,332	2.71%							402,543	86,332	19
20	SUB-TOTAL		2,722,155	789,599								2,722,155	789,599	20
21	V	3												21
22		8												22
23		9												23
24		11												24
25	SUB-TOTAL													25
26	GRAND TOTAL		16,903,768	4,871,970	N/A							16,903,768	4,871,970	26

(1) Columns (c) + (f) + (i) = Column (l)
Columns (d) + (g) + (k) = Column (m)

(2) The base grand total for owned and used, improvements to leased property, and capitalized leases should equal the sum of Accounts 3, 8, 9, and 11 shown at year end on Schedule 330.

NOTES AND REMARKS

417. SPECIALIZED SERVICE SUBSCHEDULE - TRANSPORTATION

(Dollars in Thousands)

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

Line No.	Cross Check	Items (a)	TOFC/COFC terminal (b)	Floating equipment (c)	Coal marine terminal (d)	Ore marine terminal (e)	Other marine terminal (f)	Motor vehicle load and distribution (g)	Protective services refrigerator car (h)	Other special services (i)	Total columns (b-i) (j)	Line No.
1		Administration	38,709		309			1,476		735	41,229	1
2		Pick up and delivery, marine line haul	157,383		5,738			3,086		10,526	176,733	2
3		Loading and unloading and local marine	262,978		10,690			58,150		3,764	335,582	3
4		Protective services, total debit and credits							1,245		1,245	4
5	*	Freight lost or damaged—solely related										5
6		Fringe benefits	4,871		1,218						6,089	6
7		Casualty and insurance	1,943								1,943	7
8		Joint facility — Debit	1								1	8
9		Joint facility — Credit										9
10	*	Other										10
11		TOTAL	465,885		17,955			62,712	1,245	15,025	562,822	11

418. SUPPORTING SCHEDULE - CAPITAL LEASES

(Dollars in Thousands)

Instructions:

This schedule will show the investment in capitalized leases in road and equipment by primary account

Column

- (a) = primary account number and title for which capital lease amounts are included therein.
- (b) = the total investment in that primary account
- (c) = the investment in capital leases at the end of the year
- (d) = the current year amortization.
- (e) = the accumulated amortization relating to the leased properties.

Primary Account No. and Title (a)	Total Investment At End of Year (b)	Capital Leases		
		Investment At End of Year (c)	Current Year Amortization (d)	Accumulated Amortization (e)
ACCT 06-Bridges,trestles, and culverts	2,734,717	2,213	23	258
ACCT 09-Rail and other track material	6,467,249		28	
ACCT 16-Station and office buildings	795,940	65	13	13

NOTES AND REMARKS

[Empty rectangular box for notes and remarks]

450. ANALYSIS OF TAXES
(Dollars in Thousands)

A. Railway Taxes

Line No.	Cross Check	Kind of tax	Amount	Line No.
1		Other than U.S. Government Taxes	238,090	1
		U. S. Government Taxes		
		Income Taxes		
2		Normal Tax and Surtax	592,382	2
3		Excess Profits		3
4	*	Total - Income Taxes L 2 + 3	592,382	4
5		Railroad Retirement	427,050	5
6		Hospital Insurance	35,418	6
7		Supplemental Annuities		7
8		Unemployment Insurance	11,936	8
9		All Other United States Taxes		9
10		Total - U. S. Government Taxes	1,066,786	10
11		Total - Railway Taxes	1,304,876	11

B. Adjustments to Federal Income Taxes

1. In column (a) are listed the particulars which most often cause a differential between taxable income and pretax accounting income. Other particulars which cause such a differential should be listed under the caption Other (Specify), including State and other taxes deferred if computed separately. Minor items, each less than \$100,000, may be combined in a single entry under Other (Specify).
2. Indicate in column (b) the beginning of the year total of Accounts 714, 744, 762 and 786 applicable to each particular item in column (a).
3. Indicate in column (c) the net change in Accounts 714, 744, 762 and 786 for the net tax effect of timing differences originating and reversing in the current accounting period.
4. Indicate in column (d) any adjustments, as appropriate, including adjustments to eliminate or reinstate deferred tax effects (credits or debits) due to applying or recognizing a loss carry-forward or a loss carry-back.
5. The total of line 19 in columns (c) and (d) should agree with the total of the contra charges (credits) to Account 557, Provision for Deferred Taxes, and Account 591, Provision for Deferred Taxes - Extraordinary Items, for the current year.
6. Indicate in column (e) the cumulative total of columns (b), (c), and (d). The total of column (e) must agree with the total of Accounts 714, 744, 762 and 786.

Line No.	Particulars (a)	Beginning of year balance (b)	Net credits (charges) for current year (c)	Adjustments (d)	End of year balance (e)	Line No.
1	Accelerated Depreciation, Sec. 167 I.R.C.: Guideline lives pursuant to Rev. Proc. 62-21.					1
2	Accelerated Amortization of Facilities, Sec. 168 I.R.C.					2
3	Accelerated amortization of rolling stock, Sec. 184 I.R.C.					3
4	Amortization of rights of way, Sec. 185 I. R. C.					4
5	Property	8,532,076	284,097		8,816,173	5
6	Other (Specify) -- Tax Benefit Transfer Leases	16,305	(2,037)		14,268	6
7	Reserves, including casualty & other claims	(107,559)	(1,258)		(108,817)	7
8	Compensation and Benefits	(94,135)	13,228	(28,616)	(109,523)	8
9	Miscellaneous	186,845	(15,139)	(71)	171,635	9
10						10
11						11
12						12
13						13
14						14
15						15
16						16
17						17
18						18
19	TOTALS	8,533,532	278,891	(28,687)	8,783,736	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

460. ITEMS IN SELECTED INCOME AND RETAINED EARNINGS ACCOUNTS FOR THE YEAR

(Dollars in Thousands)

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

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

Line No.	Account No. (a)	Item (b)	Debits (c)	Credits (d)	Line No.
1					1
2	616	Distribution of earnings	13,506		2
3					3
4					4
5					5
6					6
7					7
8					8
9					9
10					10
11					11
12					12
13					13
14					14
15					15
16					16
17					17
18					18
19					19
20					20
21					21
22					22
23					23
24					24
25					25
26					26
27					27
28					28
29					29
30					30

MEMORANDA RELATING TO SELECTED INCOME AND RETAINED EARNINGS ACCOUNTS

NOTES AND REMARKS

Amounts on line 2 represent distributions of earnings associated with a limited liability company. Board approval for use of Account 616 was provided by letter dated February 16, 2016.

501. GUARANTIES AND SURETYSHIPS

(Dollars in Thousands)

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

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

Line No.	Names of all parties principally and primarily liable (a)	Description (b)	Amount of contingent liability (c)	Sole or joint contingent liability (d)	Line No.
1					1
2					2
3					3
4					4
5					5
6					6
7	(a) Terminal R.R. Assoc. of St. Louis	Refunding & Improvement Mortgage Series "C" bonds due 7/1/2019 (FD14553-54)	7,014 & int.	Joint and Several	7
8					8
9					9
10					10
11					11
12					12
13					13
14					14
15					15
16					16
17					17
18					18
19					19
20	(a) Jointly and Severally with Burlington Northern Santa Fe Railway, CSX Transportation, Inc., Canadian National Railway and Union Pacific Railroad				20
21					21
22					22
23					23
24					24
25					25
26					26
27					27
28					28
29					29
30					30
31					31
32					32
33					33
34					34

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

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

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

502. COMPENSATING BALANCES AND SHORT-TERM BORROWING ARRANGEMENTS

(Dollars in Thousands)

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

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

We have outstanding letters of credit in the amount of \$5.6 million, with various banks, under which no borrowings were outstanding as of December 31, 2015.

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 2015. At both December 31, 2015 and 2014, the amounts outstanding under the facility were \$200 million at an average variable interest rate of 1.48% and 1.28%, respectively. These amounts are included in the line item "Loans and Notes Payable" in the Combined Balance Sheets. The facility has a two year term which was renewed and amended in October 2014 to run until October 2016.

NOTES AND REMARKS

Empty rectangular box for notes and remarks.

510. SEPARATION OF DEBTHOLDINGS BETWEEN ROAD PROPERTY AND EQUIPMENT

(Dollars in Thousands)

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

I. Debt Outstanding at End of Year:

Line No.	Account No.	Title	Source	Balance at Close of Year
1	751	Loans and Notes Payable	Sch. 200, L. 30	200,000
2	764	Equipment Obligations and Other Long Term Debt due Within One Year	Sch. 200, L. 39	149
3	765/767	Funded Debt Unmatured	Sch. 200, L. 41	451,826
4	766	Equipment Obligations	Sch. 200, L. 42	
5	766.5	Capitalized Lease Obligations	Sch. 200, L. 43	1,740
6	768	Debt in Default	Sch. 200, L. 44	
7	769	Accounts Payable; Affiliated Companies	Sch. 200, L. 45	5,206,742
8	770.1/770.2	Unamortized Debt Premium	Sch. 200, L. 46	70,518
9		Total Debt	Sum L. 1-8	5,930,975
10		Debt Directly Related to Road Property	Note 1.	1,994
11		Debt Directly Related to Equipment	Note 1.	
12		Total Debt Directly Related to Road & Equipment	Sum L. 10 and 11	1,994
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	5,928,981
16		Road Property Debt (Note 2)	(L. 13 x L. 15) + L. 10	5,930,975
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	174,300
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	174,300
22		Interest Directly Related to Road Property Debt	Note 4	117
23		Interest Directly Related to Equipment Debt	Note 4	5
24		Interest Not Directly Related to Road or Equipment Property Debt	L. 21 - (L. 22 + L. 23)	174,178 *
25		Interest Road Property Debt (Note 5)	L. 22 + (L. 24 x L. 13)	174,295
26		Interest Equipment Debt (Note 5)	L. 23 + (L. 24 x L. 14)	5
27		Embedded Rate of Debt Capital - Road Property	L. 25 div. by L. 16	2.94%
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 \$21,064. Amount on line 24 primarily represents "Other Interest expense" that does not relate to conventional debt as reported on line 9.

NOTES AND REMARKS

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INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 512

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

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

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

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

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

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

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

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

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

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

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

72

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)				
1	1	100%	15,183	2,578	168	1,966	2,511	5,785	28,191	1
2	1	50%	7	5		5	15	13	45	2
3	1	33%	4	3		4	1	5	17	3
4	1J	75%						7	7	4
5	1J	67%						4	4	5
6	1J	50%				1	12	23	36	6
7	1J	33%					3	2	5	7
8										8
9		Total Class 1	15,194	2,586	168	1,976	2,542	5,839	28,305	9
10										10
11										11
12	3	100%	23	9			4		36	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	51	87	721	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%	4,402	1,137	589	365	130	532	7,155	28
29										29
30		Total Class 5	4,402	1,137	589	365	130	532	7,155	30
31										31
32										32
33										33
34										34
35										35
36										36
37										37
38										38
39										39
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49										49
50										50
51										51
52										52
53										53
54										54
55										55
56										56
57		TOTAL	19,962	3,909	761	2,374	2,724	6,491	36,221	57
58		Miles of electrified road or track included in preceding grand total	N/A							58

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

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

Line No.	Cross Check	State or territory (a)	MILES OF ROAD OPERATED BY RESPONDENT								Line No.
			Line owned (b)	Line of proprietary companies (c)	Line operated under lease (d)	Line operated under contract etc. (e)	Line operated under trackage rights (f)	Total mileage operated (g)	Line owned not operated by respondent (h)	New line constructed during year (i)	
1		Alabama	1,212				92	1,304	89		1
2		Canada					2	2			2
3		Delaware	160				43	203			3
4		District of Columbia					13	13			4
5		Florida	96				53	149			5
6		Georgia	1,710				9	1,719	367		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	41		9
10		Kansas					2	2			10
11		Kentucky	154		212		63	429			11
12		Louisiana	72				4	76			12
13		Maryland	95				174	269			13
14		Michigan	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	829				364	1,193	418		19
20		Ohio	1,734		10		398	2,142	132		20
21		Pennsylvania	1,764			5	637	2,406	191		21
22		South Carolina	658				104	762	37		22
23		Tennessee	645		136		46	827	144		23
24		Virginia	1,885				107	1,992	154		24
25		West Virginia	771				35	806	29		25
26											26
27											27
28											28
29											29
30											30
31											31
32		TOTAL MILEAGE (single track)	15,194		360	6	4,402	19,962	2,038		32

NOTES AND REMARKS

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INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 710

Instructions for reporting locomotive and passenger-train car data.

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

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

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

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

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

710. INVENTORY OF EQUIPMENT														
UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS														
Line No.	Cross Check	Type or design of units (a)	Changes During the Year					Units retired from service of respondent whether owned or leased, including reclassification (g)	Units at Close of Year					Line No.
			Units installed						Owned and used (h)	Leased from others (i)	Total in service of respondent [col (h) & (i)] (j)	Aggregate capacity of units reported in col. (j) (See Ins. 7) (k)	Leased to others (l)*	
			Units in service of respondent at beginning of year (b)	New units purchased or built (c)	New units leased from others (d)	Rebuilt units acquired and rebuilt units rewritten into property accounts (e)	All other units including reclassification and second hand units purchased or leased from others (f)							
1		Locomotive Units Diesel-freight units	2,777	10		30	52	31	2,838		2,838	(H.P.) 11,959,000		1
2		Diesel-passenger units												2
3	*	Diesel-multiple purpose units	1,196			22	5	34	1,189		1,189	3,122,500	41	3
4	*	Diesel-switching units	95						95		95	144,400	3	4
5	*	TOTAL (lines 1 to 4) units	4,068	10		52	57	65	4,122		4,122	15,225,900	44	5
6		Electric-locomotives												6
7		Other self-powered units	1						1		1	1,350		7
8	*	TOTAL (lines 5, 6 and 7)	4,069	10		52	57	65	4,123		4,123	15,227,250	44	8
9		Auxiliary units	147	8					155		155	N/A		9
10	*	TOTAL LOCOMOTIVE UNITS (lines 8 and 9)	4,216	18		52	57	65	4,278		4,278	15,227,250	44	10

* Note: Col (l) - Leased to Others includes 44 NS Owned Locomotives Leased to Conrail for use in Shared Assets Area

DISTRIBUTION OF LOCOMOTIVE UNITS IN SERVICE OF RESPONDENT AT CLOSE OF YEAR BUILT, DISREGARDING YEAR OF REBUILDING														
Line No.	Cross Check	Type or design of units (a)	Before 1/1/1995 (b)	During Calendar Year					TOTAL (l)	Line No.				
				Between 1/1/1995 and 12/31/1999 (c)	Between 1/1/2000 and 12/31/2004 (d)	Between 1/1/2005 and 12/31/2009 (e)	Between 1/1/2010 and 12/31/2014 (f)	2015 (g)			2016 (h)	2017 (i)	2018 (j)	2019 (k)
11	*	Diesel	1,946	834	663	362	317						4,122	11
12	*	Electric												12
13	*	Other self-powered units	1										1	13
14	*	TOTAL (lines 11 to 13)	1,947	834	663	362	317						4,123	14
15	*	Auxiliary units	139				8	8					155	15
16	*	TOTAL LOCOMOTIVE UNITS (Lines 14 and 15)	2,086	834	663	362	325	8					4,278	16

710. INVENTORY OF EQUIPMENT - Continued														
UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS														
Line No.	Cross Check	Type or design of units (a)	Changes During the Year					Units retired from service of respondent whether owned or leased, including reclassification (g)	Units at Close of Year					Line No.
			Units installed						Owned and used (h)	Leased from others (i)	Total in service of respondent (col. (h) & (i)) (j)	Aggregate capacity of units reported in col. (j) (see ins. 7) (k)	Leased to others (l)	
			Units in service of respondent at beginning of year (b)	New units purchased or built (c)	New units leased from others (d)	Rebuilt units acquired and rebuilt units rewritten into property accounts (e)	All other units including re-classification and second hand units purchased or leased from others (f)							
17		PASSENGER-TRAIN CARS Non-Self-Propelled Coaches (PA, PB, PBO)												17
18		Combined cars (All class C, except CSB)												18
19		Parlor cars (PBC, PC, PL, PO)												19
20		Sleeping cars (PS, PT, PAS, PDS)												20
21		Dining, grill and tavern cars (All class D, PD)												21
22		Non-passenger carrying cars (All class B, CSB, M, PSA, 1A)												22
23		TOTAL (lines 17 to 22)												23
24		Self-Propelled Electric passenger cars (EP, ET)												24
25		Electric combined cars (EC)												25
26		Internal combustion rail motorcars (ED,EG)												26
27		Other self-propelled cars (Specify types)												27
28		TOTAL (lines 24 to 27)												28
29		TOTAL (lines 23 and 28)												29
30		COMPANY SERVICE CARS Business cars (PV)	33						33		33	N/A		30
31		Board outfit cars (MWX)	289						289		289	N/A		31
32		Derrick and snow removal cars (MWU, MWV, MWV, MWK)	256				1	2	255		255	N/A		32
33		Dump and ballast cars (MWB, MWD)	691				75	6	445	315	760	N/A		33
34		Other maintenance and service equipment cars	3,414				235	44	3,602	3	3,605	N/A		34
35		TOTAL (lines 30 to 34)	4,683				311	52	4,624	318	4,942	N/A		35

710. INVENTORY OF EQUIPMENT - Continued

Instructions for reporting freight-train car data

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

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

Line No.	Cross Check	Class of equipment and car designations (a)	Units in service of respondent at beginning of year		Changes During the Year				Line No.
			Time-mileage cars (b)	All Others (c)	Units installed				
					New units purchased or built (d)	New or rebuilt units leased from others (e)	Rebuilt units acquired and rebuilt units rewritten into property accounts (f)	All other units, including reclassification and second hand units purchased or leased from others (g)	
36		FREIGHT TRAIN CARS Plain box cars - 40' (B1 __, B2 __)							36
37		Plain box cars - 50' and longer (B3_0-7, B4_0-7, B5 __, B6 __, B7 __, B8 __)	494						37
38		Equipped box cars (All Code A, Except A_5_)	11,918						38
39		Plain gondola cars (All Codes G & J __1, J __2, J __3, J __4)	18,021		625				39
40		Equipped gondola cars (All Code E)	15,682		1,282				40
41		Covered hopper cars (C __1, C __2, C __3, C __4)	10,491		126				41
42		Open top hopper cars - general service (All Code H)	8,959						42
43		Open top hopper cars - special service (J __O, and All Code K)	3,889						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 __)	1,073						46
47		Flat cars - multi-level (All Code V)	476						47
48		Flat cars - general service (F10_, F20_, F30_)	37						48
49		Flat cars - other (F_1_, F_2_, F_3_, F_4_, F_5_, F_6_, F_8_, F40_)	2,004					93	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					51
52		All other freight cars (A_5_, F_7_, All Code L and Q8 __)	4,441						52
53		TOTAL (lines 36 to 52)	77,485	18	2,033			93	53
54		Caboose (All Code M-930)	N/A	151					54
55		TOTAL (lines 53, 54)	77,485	169	2,033			93	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		2	35	457	492		50,980	37	
38		236	10,776	906	11,682		971,127	38	
39		1,641	15,885	1,120	17,005		1,965,866	39	
40		560	14,507	1,897	16,404		1,677,166	40	
41		265	10,267	85	10,352		1,144,497	41	
42		307	8,652		8,652		978,363	42	
43		25	3,864		3,864		423,798	43	
44								44	
45								45	
46		17	44	1,012	1,056		114,319	46	
47		2	364	110	474		22,615	47	
48		4	33		33		2,624	48	
49		80	1,650	367	2,017		202,694	49	
50								50	
51			4	14		18	1,785	51	
52			4,441		4,441		219,577	52	
53		3,139	70,522	5,968	76,472	18	7,775,409	53	
54			151		N/A	151	N/A	54	
55		3,139	70,673	5,968	76,472	169	7,775,409	55	

710. INVENTORY OF EQUIPMENT - Continued

UNITS OWNED, INCLUDED IN INVESTMENT ACCOUNT, AND LEASED FROM OTHERS									
Line No.	Cross Check	Class of equipment and car designations (a)	Units in service of respondent at beginning of year		Changes During the Year				Line No.
			Per diem (b)	All Others (c)	Units installed				
					New units purchased or built (d)	New units leased from others (e)	Rebuilt units acquired and rebuilt units rewritten into property accounts (f)	All other units, including reclassification and second hand units purchased or leased from others (g)	
56		FLOATING EQUIPMENT Self-propelled vessels (tugboats, car ferries, etc.)	N/A						56
57		Non-self-propelled vessels (car floats, lighters, etc.)	N/A						57
58		TOTAL (Lines 56 and 57)							58
59		HIGHWAY REVENUE EQUIPMENT Chassis (Z_1_, Z_67_, Z_68_, Z_69_)		23,151	4,746			875	59
60		Dry van (U_2_, Z_, Z_6_, 1-6)		26,549	2,525			6,330	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_)		33					63
64		Bulk hopper (U_0_, Z_0_)							64
65		Insulated (U_7_, Z_7_)							65
66		Tank (Z_0_, U_6_) (See note)							66
67		Other trailer and container (Special equipped dry van U_9_, Z_8_, Z_9_)							67
68		Tractor							68
69		Truck							69
70		TOTAL (Lines 59 to 69)		49,798	7,271			7,205	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		34	24,493	4,245		28,738		N/A		59
		6,654	26,982	1,768		28,750		795,113		
			65			65		731		
		1	32			32		727		
		6,689	51,572	6,013		57,585		796,571		

NOTES AND REMARKS

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

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

NEW UNITS

Line No.	Class of equipment (a)	Number of Units (b)	Total Weight (Tons) (c)	Total Cost (d)	Method of Acquisition (see instructions) (e)	Line No.
1	Diesel-Freight Units 6-Axle 4,300 HP	10	2,160	22,326	P	1
2	Auxiliary Units 4-Axle	8	1,112	2,339	S	2
3	Composite 4,080 CU FT Hybrid Coal Gondolas (GT)	600	14,662	50,205	P	3
4	Steel 2,743 CU FT Plain Gondolas (GB)	25	773	2,322	P	4
5	Steel 5,200 CU FT Covered Hopper Cars (LO)	51	1,540	4,499	P	5
6	Steel 5,660 CU FT Covered Hopper Cars (LO)	75	2,516	9,773	P	6
7	Steel 2,791 CU FT Equipped Gondola Cars (GBS)	400	15,429	36,465	P	7
8	Steel 600 CU FT Equipped Gondola Cars (GBS)	152	4,608	17,305	P	8
9	Steel 600 CU FT Equipped Gondola Cars (GBSR)	730	23,521	85,618	P	9
10	53' Domestic Chassis (Z)	4,746	17,798	58,163	P	10
11	53' Steel Domestic Container (U)	2,525	13,130	27,084	P	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	9,322	97,249	316,099	N/A	25

REBUILT UNITS

26	Diesel-Freight Units 6-Axle 4,000 HP	30	6,178	42,170	S	26
27	Diesel-Multipurpose Units 4-Axle 3,000 HP	22	2,970	14,845	S	27
28						28
29						29
30						30
31						31
32						32
33						33
34						34
35						35
36						36
37						37
38	TOTAL	52	9,148	57,015	N/A	38
39	GRAND TOTAL	9,374	106,397	373,114	N/A	39

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

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

Track category 1

- A - Freight density of 20 million or more gross ton-miles per track mile per year (include passing tracks, turnouts, and crossovers)
- B - Freight density of less than 20 million gross ton-miles per track mile per year, but at least 5 million (include passing tracks, turnouts, and crossovers)
- C - Freight density of less than 5 million gross ton-miles per track mile per year, but at least 1 million (include passing tracks, turnouts, and crossovers)
- D - Freight density of less than 1 million gross ton-miles per track mile per year (include passing tracks, turnouts, and crossovers)
- E - Way and yard switching tracks (passing tracks, crossovers and turnouts shall be included in categories A, B, C, D, F, and potential abandonments, as appropriate).
- F - Track over which any passenger service is provided (other than potential abandonments). Mileage should be included within track categories A through E unless it is dedicated entirely to passenger service category F

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

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

720. TRACK AND TRAFFIC CONDITIONS

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

Line No.	Track category	Mileage of tracks at end of period (whole numbers)	Average annual traffic density in millions of gross ton-miles per track-mile* (use two decimal places)	Average running speed limit (use two decimal places)	Track miles under slow orders at the end of period	Line No.
	(a)	(b)	(c)	(d)	(e)	
1	A	8,783	42.79	53.64	34	1
2	B	6,795	13.00	45.79	70	2
3	C	2,519	2.56	29.72	102	3
4	D	2,416	0.28	19.75	143	4
5	E	8,553	N/A	N/A	N/A	5
6	TOTAL	29,066	22.92	44.11	349	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.

721. TIES LAID IN REPLACEMENT

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

Line No.	Track category (a)	Number of crossties laid in replacement						Total (i)	Switch and bridge ties (board feet) (j)	Crossties switch and bridge ties Percent of spot maintenance (k)	Line No.
		New ties			Second-hand ties						
		Wooden		Concrete (d)	Other (e)	Wooden				Other (h)	
		Treated (b)	Untreated (c)			Treated (f)	Untreated (g)				
1	A	1,559,753			9,345			1,569,098	3,987,335	0.4	1
2	B	466,473			16,183			482,656	2,175,758	2.2	2
3	C	172,671			28,017			200,688	706,352	9.1	3
4	D	87,712			36,716			124,428	367,826	19.6	4
5	E	85,786		20	71,342			157,148	1,756,610	25.6	5
6	TOTAL	2,372,395		20	161,603			2,534,018	8,993,881	4.2	6
7	F										7
8	Potential abandonments										8
9	Average cost per crosstie	\$51.46	and switchtie (MBM)	\$1,405.57							

722. TIES LAID IN ADDITIONAL TRACKS AND IN NEW LINES AND EXTENSIONS
(Dollars in Thousands)

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

In column (a) classify the ties as follows:

U - Wooden ties untreated when applied.

T - Wooden ties treated before application.

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

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

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

Line No.	Class of ties (a)	CROSSTIES			SWITCH AND BRIDGE TIES			Remarks (h)	Line No.	
		Total number of ties applied (b)	Average cost per tie (c)	Total cost of crossties laid in new tracks during year (d)	Number of feet (board measure) laid in tracks (e)	Average cost per M feet (board measure) (f)	Total cost of switch and bridge ties laid in new tracks during year (g)			
1	T	40,246	\$52.22	\$2,102	170,496	\$1,505.43	\$257	NEW WOOD TIES	1	
2									2	
3	S	15,432	\$96.31	\$1,486	0	\$0.00	\$0	NEW STEEL TIES	3	
4									4	
5									5	
6									6	
7									7	
8									8	
9									9	
10									10	
11									11	
12									12	
13									13	
14									14	
15									15	
16									16	
17									17	
18									18	
19									19	
20	TOTAL	55,678		\$3,588	170,496		\$257		20	
21	Number of miles of new running, passing tracks, cross-overs, etc., in which ties were laid —								7.18	21
22	Number of miles of new yard, station, team, industry, and other switching tracks in which ties were laid —								12.76	22

723. RAILS LAID IN REPLACEMENT

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

Line No.	Track category (a)	Miles of rail laid in replacement (rail-miles)				Total		Percent of spot maintenance (h)	Line No.
		New rail		Relay rail		Welded rail (f)	Bolted rail (g)		
		Welded rail (b)	Bolted rail (c)	Welded rail (d)	Bolted rail (e)				
1	A	651.76	1.68	20.39	0.18	672.15	1.86	1.15	1
2	B	141.90	0.36	95.93	0.85	237.83	1.21	2.12	2
3	C	1.42		49.01	0.43	50.42	0.44	3.59	3
4	D	1.36		37.09	0.33	38.45	0.33	3.57	4
5	E			4.08	0.04	4.08	0.04	3.66	5
6	TOTAL	796.43	2.04	206.50	1.83	1,002.93	3.88	1.61	6
7	F								7
8	Potential Abandonments								8
9	Average cost of new and relay rail laid in replacement per gross ton:			New	\$828	Relay	\$269		9

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

(Dollars in Thousands)

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

RAIL APPLIED IN RUNNING TRACKS, PASSING TRACKS, CROSS-OVERS, ETC.						RAIL APPLIED IN YARD, STATION, TEAM, INDUSTRY AND OTHER SWITCHING TRACKS				Line No.	
Line No.	Class of rail	Weight of rail		Total cost of rail applied in running tracks, passing tracks cross-overs, etc., during year	Average cost per ton (2,000 lb)	Weight of rail		Total cost of rail applied in yard, station, team, industry, and other switching tracks during year	Average cost per ton (2,000 lb)		
		Pounds per yard of rail	Number of tons (2,000 lb)			Pounds per yard of rail	Number of tons (2,000 lb)				
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)			
1										1	
2	1	132				132	62	56	894	2	
3	4	132	1,668	406	244	132	1,937	539	278	3	
4										4	
5	1	136				136	112	92	823	5	
6	4	136				136	555	163	294	6	
7										7	
8	4	140				140	336	86	254	8	
9										9	
10										10	
11										11	
12										12	
13										13	
14										14	
15										15	
16										16	
17										17	
18										18	
19										19	
20										20	
21										21	
22										22	
23										23	
24										24	
25										25	
26										26	
27										27	
28										28	
29										29	
30										30	
31	TOTAL	N/A	1,668	\$406		N/A	3,002	\$936		31	
32	Number of miles of new running tracks, passing tracks, cross-overs, etc., in which rails were laid									7.18	32
33	Number of miles of new yard, station, team, industry, and other switching tracks in which rails were laid									12.76	33
34	Track-miles of welded rail installed on system this year: 19.94 Total to date: 22,308										34
35											35
36											36

725. WEIGHT OF RAIL

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

Line No.	Weight of rails per yard (pounds) (a)	Line-haul companies (miles of main track) (b)	Switching and terminal companies (miles of all tracks) (c)	Remarks (d)	Line No.
1	90	41.73			1
2	100	709.55			2
3	105	74.04			3
4	110	15.79			4
5	112	555.46			5
6	115	865.53			6
7	119	9.20			7
8	127	414.89			8
9	130	492.62			9
10	131	876.35			10
11	132	8,413.96			11
12	133	115.26			12
13	136	4,566.90			13
14	140	865.42			14
15	141	365.82			15
16	152	74.26			16
17	155	47.22			17
18					18
19					19
20					20
21					21
22					22
23					23
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36					36
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41					41
42					42
43					43
44					44
45					45
46					46

726. SUMMARY OF TRACK REPLACEMENTS

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

Line No.	Track category (a)	Ties				Rail		Ballast	Track surfacing		Line No.
		Number of ties replaced		Percent replaced		Miles of rail replaced (rail-miles) (f)	Percent replaced (g)	Cubic yards of ballast placed (h)	Miles surfaced (i)	Percent surfaced (j)	
		Crossties (b)	Switch and bridge ties (board feet) (c)	Crosstie (d)	Switch and bridge ties (board feet) (e)						
1	A	1,569,098	3,987,335	5.50	6.3	674.01	3.8	1,025,750	3,800.3	43.3	1
2	B	482,656	2,175,758	2.19	2.8	239.04	1.8	357,059	1,263.8	18.6	2
3	C	200,688	706,352	2.45	4.0	50.86	1.0	109,046	183.8	7.3	3
4	D	124,428	367,826	1.58	1.0	38.78	0.8	59,287	386.0	16.0	4
5	E	157,148	1,756,610	0.59	1.6	4.11	0.0	46,025	101.0	1.2	5
6	TOTAL	2,534,018	8,993,881	2.7	2.9	1,006.81	1.7	1,597,167	5,734.9	19.7	6
7	F										7
8	Potential abandonments										8

750. CONSUMPTION OF DIESEL FUEL

(Dollars in Thousands)

Locomotives			
Line No.	Kind of locomotive service (a)	Diesel oil (gallons) (b)	Line No.
1	Freight	456,536,252	1
2	Passenger		2
3	Yard switching	30,178,974	3
4	TOTAL	486,715,226	4
5	COST OF FUEL \$(000)	\$ 859,538	5
6	Work Train	4,821,531	6

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 755

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

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

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

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

755. RAILROAD OPERATING STATISTICS

Line No.	Cross Check	Item description (a)	Freight train (b)	Pass. train (c)	Line No.
1		1. MILES OF ROAD OPERATED (A)	19,962		1
		2. TRAIN MILES - RUNNING (B)	XXXXXXXXX	XXXXXX	
2		2-01 UNIT TRAINS	11,440,459	XXXXXX	2
3		2-02 WAY TRAINS	11,096,517	XXXXXX	3
4		2-03 THROUGH TRAINS	53,068,019	XXXXXX	4
5		2-04 TOTAL TRAIN MILES (lines 2-4)	75,604,995		5
6		2-05 MOTORCARS (C)			6
7		2-06 TOTAL, ALL TRAINS (lines 5, 6)	75,604,995		7
		3. LOCOMOTIVE UNIT MILES (D)	XXXXXXXXX	XXXXXX	
		ROAD SERVICE (E)	XXXXXXXXX	XXXXXX	
8		3-01 UNIT TRAINS	28,698,200	XXXXXX	8
9		3-02 WAY TRAINS	19,180,131	XXXXXX	9
10		3-03 THROUGH TRAINS	125,969,704		10
11		3-04 TOTAL (lines 8-10)	173,848,035		11
12		3-11 TRAIN SWITCHING (F)	6,303,173	XXXXXX	12
13		3-21 YARD SWITCHING (G)	13,284,199		13
14		3-31 TOTAL ALL SERVICES (lines 11, 12, 13)	193,435,407		14
		4. FREIGHT CAR-MILES (thousands) (H)	XXXXXXXXX	XXXXXX	
		4-01 RR OWNED AND LEASED - LOADED	XXXXXXXXX	XXXXXX	
15		4-010 BOX-PLAIN 40-FOOT		XXXXXX	15
16		4-011 BOX-PLAIN 50-FOOT AND LONGER	7,322	XXXXXX	16
17		4-012 BOX-EQUIPPED	120,381	XXXXXX	17
18		4-013 GONDOLA-PLAIN	170,658	XXXXXX	18
19		4-014 GONDOLA-EQUIPPED	78,887	XXXXXX	19
20		4-015 HOPPER-COVERED	122,502	XXXXXX	20
21		4-016 HOPPER-O/T-GENERAL SERVICE	52,045	XXXXXX	21
22		4-017 HOPPER-O/T-SPECIAL SERVICE	27,387	XXXXXX	22
23		4-018 REFRIGERATOR-MECHANICAL	4,568	XXXXXX	23
24		4-019 REFRIGERATOR-NON-MECHANICAL	6,985	XXXXXX	24
25		4-020 FLAT-TOFC/COFC	140,204	XXXXXX	25
26		4-021 FLAT-MULTI-LEVEL	26,904	XXXXXX	26
27		4-022 FLAT-GENERAL SERVICE	319	XXXXXX	27
28		4-023 FLAT-ALL OTHER	32,833	XXXXXX	28
29		4-024 ALL OTHER CAR TYPES	165,419	XXXXXX	29
30		4-025 TOTAL (lines 15-29)	956,415	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	XXXXXXXXX	XXXXXX	
31		4-110 BOX-PLAIN 40-FOOT		XXXXXX	31
32		4-111 BOX-PLAIN 50-FOOT AND LONGER	7,844	XXXXXX	32
33		4-112 BOX-EQUIPPED	119,572	XXXXXX	33
34		4-113 GONDOLA-PLAIN	175,495	XXXXXX	34
35		4-114 GONDOLA-EQUIPPED	70,147	XXXXXX	35
36		4-115 HOPPER-COVERED	135,352	XXXXXX	36
37		4-116 HOPPER-O/T-GENERAL SERVICE	54,982	XXXXXX	37
38		4-117 HOPPER-O/T-SPECIAL SERVICE	28,938	XXXXXX	38
39		4-118 REFRIGERATOR-MECHANICAL	4,607	XXXXXX	39
40		4-119 REFRIGERATOR-NON-MECHANICAL	5,898	XXXXXX	40
41		4-120 FLAT-TOFC/COFC	15,329	XXXXXX	41
42		4-121 FLAT-MULTI-LEVEL	20,351	XXXXXX	42
43		4-122 FLAT-GENERAL SERVICE	351	XXXXXX	43
44		4-123 FLAT-ALL OTHER	36,569	XXXXXX	44
45		4-124 ALL OTHER CAR TYPES	440	XXXXXX	45
46		4-125 TOTAL (lines 31-45)	675,875	XXXXXX	46
		4-13 PRIVATE LINE CARS - LOADED (H)	XXXXXXXXX	XXXXXX	
47		4-130 BOX-PLAIN 40-FOOT		XXXXXX	47
48		4-131 BOX-PLAIN 50-FOOT AND LONGER	11,688	XXXXXX	48
49		4-132 BOX-EQUIPPED	24,900	XXXXXX	49
50		4-133 GONDOLA-PLAIN	43,205	XXXXXX	50
51		4-134 GONDOLA-EQUIPPED	12,826	XXXXXX	51
52		4-135 HOPPER-COVERED	306,271	XXXXXX	52
53		4-136 HOPPER-O/T-GENERAL SERVICE	18,378	XXXXXX	53
54		4-137 HOPPER-O/T-SPECIAL SERVICE	122,260	XXXXXX	54
55		4-138 REFRIGERATOR-MECHANICAL	2,512	XXXXXX	55
56		4-139 REFRIGERATOR-NON-MECHANICAL	539	XXXXXX	56
57		4-140 FLAT-TOFC/COFC	483,551	XXXXXX	57
58		4-141 FLAT-MULTI-LEVEL	217,088	XXXXXX	58
59		4-142 FLAT-GENERAL SERVICE	8	XXXXXX	59
60		4-143 FLAT-ALL OTHER	23,957	XXXXXX	60
61		4-144 TANK UNDER 22,000 GALLONS	105,538	XXXXXX	61
62		4-145 TANK - 22,000 GALLONS AND OVER	322,407	XXXXXX	62
63		4-146 ALL OTHER CAR TYPES	2,041	XXXXXX	63
64		4-147 TOTAL (lines 47-63)	1,697,169	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)	XXXXXXXXX	XXXXXX	
65		4-150 BOX-PLAIN 40-FOOT		XXXXXX	65
66		4-151 BOX-PLAIN 50-FOOT AND LONGER	9,260	XXXXXX	66
67		4-152 BOX-EQUIPPED	19,638	XXXXXX	67
68		4-153 GONDOLA-PLAIN	46,458	XXXXXX	68
69		4-154 GONDOLA-EQUIPPED	15,669	XXXXXX	69
70		4-155 HOPPER-COVERED	314,332	XXXXXX	70
71		4-156 HOPPER-O/T-GENERAL SERVICE	19,017	XXXXXX	71
72		4-157 HOPPER-O/T-SPECIAL SERVICE	122,376	XXXXXX	72
73		4-158 REFRIGERATOR-MECHANICAL	2,565	XXXXXX	73
74		4-159 REFRIGERATOR-NON-MECHANICAL	550	XXXXXX	74
75		4-160 FLAT-TOFC/COFC	47,350	XXXXXX	75
76		4-161 FLAT-MULTI-LEVEL	150,854	XXXXXX	76
77		4-162 FLAT-GENERAL SERVICE	27	XXXXXX	77
78		4-163 FLAT-ALL OTHER	29,477	XXXXXX	78
79		4-164 TANK UNDER 22,000 GALLONS	110,311	XXXXXX	79
80		4-165 TANK - 22,000 GALLONS AND OVER	333,281	XXXXXX	80
81		4-166 ALL OTHER CAR TYPES	1,674	XXXXXX	81
82		4-167 TOTAL (lines 65-81)	1,222,839	XXXXXX	82
83		4-17 WORK EQUIPMENT CAR-MILES	42,304	XXXXXX	83
84		4-18 NO PAYMENT CAR-MILES (I) *		XXXXXX	84
		4-19 TOTAL CAR-MILES BY TRAIN TYPE	XXXXXXXXX	XXXXXX	
85		4-191 UNIT TRAINS	1,102,316	XXXXXX	85
86		4-192 WAY TRAINS	273,340	XXXXXX	86
87		4-193 THROUGH TRAINS	3,218,946	XXXXXX	87
88		4-194 TOTAL (lines 85-87)	4,594,602	XXXXXX	88
89		4-20 CABOOSE MILES	699	XXXXXX	89

* Total number of loaded miles 165,072 and empty miles 0 by roadrailer reported above on lines 29 and 45 respectively, rather than line 84.

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

755. RAILROAD OPERATING STATISTICS					
Line No.	Cross Check	Item description (a)	Freight train (b)	Pass. train (c)	Line No.
		6. GROSS TON MILES (Thousands) (K)	XXXXXXXXX	XXXXXX	
98		6-01 ROAD LOCOMOTIVES	32,872,869		98
		6-02 FREIGHT TRAINS, CRS., CNTS. & CABOOSE	XXXXXXXXX	XXXXXX	
99		6-020 UNIT TRAINS	91,894,998	XXXXXX	99
100		6-021 WAY TRAINS	21,382,812	XXXXXX	100
101		6-022 THROUGH TRAINS	268,283,255	XXXXXX	101
102		6-03 PASSENGER-TRAINS, CRS. & CNTS.			102
103		6-04 NON-REVENUE	2,829,986	XXXXXX	103
104		6-05 TOTAL (lines 98-103)	417,263,920		104
		7. TONS OF FREIGHT (Thousands)	XXXXXXXXX	XXXXXX	
105		7-01 REVENUE	373,459	XXXXXX	105
106		7-02 NON-REVENUE	1,780	XXXXXX	106
107		7-03 TOTAL (lines 105, 106)	375,239	XXXXXX	107
		8. TON-MILES OF FREIGHT (Thousands) (L)	XXXXXXXXX	XXXXXX	
108		8-01 REVENUE-ROAD SERVICE	199,724,819	XXXXXX	108
109		8-02 REVENUE-LAKE TRANSFER SERVICE		XXXXXX	109
110		8-03 TOTAL (lines 108, 109)	199,724,819	XXXXXX	110
111		8-04 NON-REVENUE-ROAD SERVICE	565,263	XXXXXX	111
112		8-05 NON-REVENUE-LAKE TRANSFER SERV.		XXXXXX	112
113		8-06 TOTAL (lines 111, 112)	565,263	XXXXXX	113
114		8-07 TOTAL-REV AND NON-REV (lines 110, 113)	200,290,082	XXXXXX	114
		9. TRAIN HOURS (M)	XXXXXXXXX	XXXXXX	
115		9-01 ROAD SERVICE	3,922,443	XXXXXX	115
116		9-02 TRAIN SWITCHING	612,748	XXXXXX	116
117		10. TOTAL YARD SWITCHING HOURS (N)	2,214,033	XXXXXX	117
		11. TRAIN-MILES WORK TRAINS (O)	XXXXXXXXX	XXXXXX	
118		11-01 LOCOMOTIVES	885,629	XXXXXX	118
119		11-02 MOTORCARS		XXXXXX	119
		12. NUMBER OF LOADED FREIGHT CARS (P)	XXXXXXXXX	XXXXXX	
120		12-01 UNIT TRAINS	1,775,302	XXXXXX	120
121		12-02 WAY TRAINS	4,611,952	XXXXXX	121
122		12-03 THROUGH TRAINS	6,184,888	XXXXXX	122
123		13. TOFC/COFC-NO. OF REV. TRLS. & CONT. LOADED & UNLOADED (Q)	6,684,778	XXXXXX	123
124		14. MULTI-LEVEL CARS-NO. OF MTR. VEH. LOADED AND UNLOADED (Q)	2,693,179	XXXXXX	124
125		15. TOFC/COFC-NO. OF REV TRLS. PICKED UP AND DELIVERED (R)	1,153,714	XXXXXX	125
		16. REVENUE TONS-MARINE TERMINAL (S)	XXXXXXXXX	XXXXXX	
126		16-01 MARINE TERMINALS - COAL	17,436,163	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)	17,436,163	XXXXXX	129
		17. NUMBER OF FOREIGN PER DIEM CARS ON LINE (T)	XXXXXXXXX	XXXXXX	
130		17-01 SERVICEABLE	30,450	XXXXXX	130
131		17-02 UNSERVICEABLE	309	XXXXXX	131
132		17-03 SURPLUS		XXXXXX	132
133		17-04 TOTAL (lines 130-132)	30,759	XXXXXX	133
134		TOFC/COFC - Average No. of Units Loaded Per Car	4.59	XXXXXX	134

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PTC Supplement

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

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

**TO THE
Surface Transportation Board
FOR THE
YEAR ENDED DECEMBER 31, 2015**

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

(Dollars in Thousands)

Line No.	Cross No.	Account (a)	Balance at Beginning of year (b)	Expenditures during the year for original road & equipment & road extensions (c)	Expenditures during the year for purchase of existing lines, reorganizations, etc. (d)	Line No.
1		(2) Land for transportation purposes				1
2		(3) Grading				2
3		(4) Other right-of-way expenditures				3
4		(5) Tunnels and subways				4
5		(6) Bridges, trestles and culverts				5
6		(7) Elevated structures				6
7		(8) Ties				7
8		(9) Rail and other track material				8
9		(11) Ballast				9
10		(13) Fences, snowsheds and signs				10
11		(16) Station and office buildings				11
12		(17) Roadway buildings				12
13		(18) Water stations				13
14		(19) Fuel stations				14
15		(20) Shops and enginehouses				15
16		(22) Storage warehouses				16
17		(23) Wharves and docks				17
18		(24) Coal and ore wharves				18
19		(25) TOFC/COFC terminals				19
20		(26) Communications systems	58,325			20
21		(27) Signals and interlockers	297,725			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	356,102			30
31		(52) Locomotives	114,370			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	15,276			38
39		TOTAL EXPENDITURES FOR EQUIPMENT	130,029			39
40		(76) Interest during construction				40
41		(80) Other elements of investment				41
42		(90) Construction work in progress	249,975			42
43		GRAND TOTAL	736,106			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	\$ 62,650	\$ 4,000	\$ 66,650
PTC-220 LLC	\$ 7,397	\$ 536	\$ 7,933

In addition, Conrail, Inc. has invested a total of \$4,138 for the purpose of implementing PTC through December 31, 2015, of which \$44 was made in 2015.

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		13				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		17,445		17,445	75,770	20
21		119,469		119,469	417,194	21
22						22
23						23
24						24
25					52	25
26						26
27						27
28						28
29						29
30		136,927		136,927	493,029	30
31		23,847	117	23,730	138,100	31
32						32
33						33
34						34
35						35
36						36
37					383	37
38		2,352		2,352	17,628	38
39		26,199	117	26,082	156,111	39
40						40
41						41
42		64,651	(2,449)	67,100	317,075	42
43		227,777	(2,332)	230,109	966,215	43

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

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

Line No.	Account (a)	OWNED AND USED			LEASED FROM OTHERS			Line No.
		Depreciation Base		Annual composite rate % (d)	Depreciation Base		Annual composite rate % (g)	
		1/1 At beginning of year (b)	12/1 At close of year (c)		At beginning of year (e)	At close of year (f)		
	ROAD							
1	(3) Grading							1
2	(4) Other right-of-way expenditures							2
3	(5) Tunnels and subways							3
4	(6) Bridges, trestles and culverts							4
5	(7) Elevated structures							5
6	(8) Ties							6
7	(9) Rail and other track material							7
8	(11) Ballast							8
9	(13) Fences, snowsheds and signs							9
10	(16) Station and office buildings							10
11	(17) Roadway buildings							11
12	(18) Water stations							12
13	(19) Fuel stations							13
14	(20) Shops and enginehouses				NOT APPLICABLE - 5% RULE			14
15	(22) Storage warehouses							15
16	(23) Wharves and docks							16
17	(24) Coal and ore wharves							17
18	(25) TOFC/COFC terminals							18
19	(26) Communications systems	58,325	72,687	3.84%				19
20	(27) Signals and interlockers	297,725	395,044	1.89%				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	356,102	467,783	2.20%				30
31	(52) Locomotives	114,370	138,101	3.42%				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	9.20%				37
38	(59) Computer systems & WP equipment	15,276	15,276	12.96%				38
39	TOTAL EQUIPMENT	130,029	153,760	4.38%				39
40	GRAND TOTAL	486,131	621,543	2.74%			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 99 for additional information.

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

1. Disclose the required information regarding credits and debits to Account No. 735, "Accumulated Depreciation: Road and Equipment Property" during the year relating to owned and used road and equipment. Include entries for depreciation of equipment owned but not used when the resulting rents are included in the "Lease Rentals - Credit - Equipment" accounts and "Other Rents - Credit - Equipment" accounts. Exclude any entries for depreciation of equipment that is used but not owned when the resulting rents are included in "Lease Rental - Debit - Equipment" accounts and "Other Rents - Debit - Equipment" accounts.
(See Schedule 351 for accumulated depreciation to road and equipment owned and leased to others.)
2. If any data are included in columns (d) or (f), explain the entries in detail.
3. A debit balance in columns (b) or (g) for any primary account should be designated "Dr."
4. If there is any inconsistency between credits to reserves as shown in column (c) and charges to operating expenses, a full explanation should be given.
5. Enter amounts representing amortization under an authorized amortization program other than for defense projects on lines 29 and 39.

Line No.	Cross Check	Account (a)	Balance at beginning of year (b)	CREDITS TO RESERVE During the year		DEBITS TO RESERVE During the year		Balance at close of year (g)	Line No.
				Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)		
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	3,468	2,486				5,954	19
20		(27) Signals and interlockers	10,245	6,586				16,831	20
21		(29) Power plants							21
22		(31) Power transmission systems							22
23		(35) Miscellaneous structures							23
24		(37) Roadway machines	5	3				8	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	13,718	9,075				22,793	30
EQUIPMENT									
31		(52) Locomotives	10,507	4,211		117		14,601	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	84	35				119	37
38		(59) Computer systems & WP equip.	3,289	1,980				5,269	38
39		Amortization (adjustments)							39
40		TOTAL EQUIPMENT	13,880	6,226		117		19,989	40
41		GRAND TOTAL	27,598	15,301		117		42,782	41

NOTES AND REMARKS

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

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

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

Line No.	Cross Check	Account (a)	Respondent (b)	Lessor Railroads (c)	Inactive (proprietary companies) (d)	Other leased properties (e)	Line No.
1	(2)	Land for transportation purposes	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		Leased property (capitalized rentals)					29
30		Other (specify and explain)					30
31		TOTAL ROAD	493,029				31
32	(52)	Locomotives	138,100				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	17,628				39
40		TOTAL EQUIPMENT	156,111				40
41	(76)	Interest during construction					41
42	(80)	Other elements of investment					42
43	(90)	Construction work in progress	317,075				43
44		GRAND TOTAL	966,215				44

NOTES AND REMARKS

See Notes and Remarks on page 99 for additional information.

PTC 410. RAILWAY OPERATING EXPENSES

(Dollars in Thousands)

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

Line No.	Cross Check	Name of railway operating expense account (a)	FREIGHT					Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)			
		WAY AND STRUCTURES:								
		ADMINISTRATION:								
1		Track			1				1	1
2		Bridge and Building			2				2	2
3		Signal		28	27	89			144	3
4		Communication								4
5		Other								5
		TOTAL ADMINISTRATION		28	30	89			147	
		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								21
22		Signals and Interlockers - Switching								22
23		Communications Systems								23
24		Power Systems								24
25		Highway Grade Crossings- Running								25
26		Highway Grade Crossings- Switching								26
27		Station and Office Buildings			32				32	27
28		Shop Buildings - Locomotives			7				7	28
29		Shop Buildings - Freight Cars			8			N/A	8	29
30		Shop Buildings - Other Equipment								30

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

Line No.	Cross Check	Name of railway operating expense account (a)	FREIGHT					Passenger (g)	Total (h)	Line No.
			Salaries and wages (b)	Material, tools, supplies, fuels and lubricants (c)	Purchased services (d)	General (e)	Total freight expense (f)			
101		REPAIR AND MAINTENANCE - Continued: Locomotive Servicing Facilities								101
102		Miscellaneous Buildings and Structures			20			20		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		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			74			74		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)

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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)			
136	*	REPAIR AND MAINTENANCE - Continued: Depreciation - Running								136
137	*	Depreciation - Switching								137
138	*	Depreciation - Other				9,075	9,075		9,075	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		1	141	9,075	9,217		9,217	
151		TOTAL WAY AND STRUCTURES		29	171	9,164	9,364		9,364	151
		EQUIPMENT:								
		LOCOMOTIVES:								
201		Administration								201
202	*	Repair and Maintenance		135	347		482		482	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				4,211	4,211		4,211	213
214		Joint Facility - Debit								214
215		Joint Facility - (Credit)								215
216	*	Repairs Billed to Others - (Credit)								216
217		Dismantling Retired Property								217

Road Initials: NS Rail Year 2015

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		135	347	4,211	4,693	4,693	219	
220		FREIGHT CARS: Administration					N/A		220	
221	*	Repair and Maintenance					N/A		221	
222	*	Machinery Repair					N/A		222	
223		Equipment Damaged					N/A		223	
224		Fringe Benefits					N/A		224	
225		Other Casualties and Insurance					N/A		225	
226	*	Lease Rentals - Debit					N/A		226	
227	*	Lease Rentals - (Credit)					N/A		227	
228		Joint Facility Rent - Debit					N/A		228	
229	*	Joint Facility Rent - (Credit)					N/A		229	
230	*	Other Rents - Debit					N/A		230	
231	*	Other Rents - (Credit)					N/A		231	
232	*	Depreciation					N/A		232	
233		Joint Facility - Debit					N/A		233	
234		Joint Facility - (Credit)					N/A		234	
235	*	Repairs Billed to Others - (Credit)					N/A		235	
236		Dismantling Retired Property					N/A		236	
237		Other					N/A		237	
238		TOTAL FREIGHT CARS					N/A		238	
301		OTHER EQUIPMENT: Administration							301	
302	*	Repair and Maintenance: Trucks, Trailers and Containers - Revenue Service					N/A		302	
303	*	Floating Equipment - Revenue Service					N/A		303	
304	*	Passenger and Other Revenue Equipment							304	
305	*	Computer Systems and Word Processing Equipment			1,312		1,312	1,312	305	
306	*	Machinery							306	
307	*	Work and Other Non-Revenue Equipment			21		21	21	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)			
312	*	OTHER EQUIPMENT - Continued: 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				2,015	2,015		2,015	317
318		Joint Facility - Debit								318
319		Joint Facility - (Credit)								319
320	*	Repairs Billed to Others - (Credit)								320
321		Dismantling Retired Property								321
322		Other								322
323		TOTAL OTHER EQUIPMENT			1,333	2,015	3,348		3,348	323
324		TOTAL EQUIPMENT		135	1,680	6,226	8,041		8,041	324
		TRANSPORTATION:								
		TRAIN OPERATIONS:								
401		Administration			11		11		11	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			11		11		11	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			108		108	N/A	108	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			108		108	N/A	108	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			119			119		119	528
		GENERAL AND ADMINISTRATIVE:									
601		Officers - General Administration								601	
602		Accounting, Auditing and Finance								602	
603		Management Services and Data Processing		1	558			559		559	603
604		Marketing								604	
605		Sales								605	
606		Industrial Development						N/A		606	
607		Personnel and Labor Relations								607	
608		Legal and Secretarial								608	
609		Public Relations and Advertising								609	
610		Research and Development								610	
611		Fringe Benefits								611	
612		Casualties and Insurance								612	
613		Writedown of Uncollectible Accounts								613	
614		Property Taxes								614	
615		Other Taxes Except on Corporate Income or Payrolls					2	2		2	615
616		Joint Facility - Debit								616	
617		Joint Facility - (Credit)								617	
618		Other			7,802			7,802		7,802	618
619		TOTAL GENERAL AND ADMINISTRATIVE		1	8,360		2	8,363		8,363	619
620	*	TOTAL CARRIER OPERATING EXPENSES		165	10,330		15,392	25,887		25,887	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
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24										24
25										25
26										26
27										27
28										28
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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		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**

Road Initials: NS Rail Year 2015

Line No.	Cross Check	Type or design of units (a)	Units in service of respondent at beginning of year (b)	Changes During the Year				Units retired from service of respondent whether owned or leased, including reclassification (g)	Units at Close of Year					Line No.
				Units Installed					Owned and used (h)	Leased from others (i)	Total in service of respondent [col (h) & (i)] (j)	Aggregate capacity of units reported in col (j) (See Ins. 7) (k)	Leased to others (l)	
				New units purchased or built (c)	New units leased from others (d)	Rebuilt units acquired and rebuilt units rewritten into property accounts (e)	All other units including reclassification and second hand units purchased or leased from others (f)							
1		Locomotive Units Diesel-freight units										(HP)		1
2		Diesel-passenger units												2
3		Diesel-multiple purpose units												3
4		Diesel-switching units												4
5	*	TOTAL (lines 1 to 4) units												5
6	*	Electric locomotives												6
7	*	Other self-powered units												7
8	*	TOTAL (lines 5, 6, and 7)												8
9	*	Auxiliary units										N/A		9
10	*	TOTAL LOCOMOTIVE UNITS (lines 8 and 9)										N/A		10

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

Line No.	Cross Check	Type or design of units (a)	Before 1/1/1995 (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												11
12	*	Electric												12
13	*	Other self-powered units												13
14	*	TOTAL (lines 11 to 13)												14
15	*	Auxiliary units												15
16	*	TOTAL LOCOMOTIVE UNITS (lines 14 and 15)										N/A		16

NOTES AND REMARKS

PTC Supplement to Railroad Annual Report R-1

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

Line No.	Cross Check	Type or design of units (a)	Units in service of respondent at beginning of year (b)	Changes During the Year				Units retired from service of respondent whether owned or leased, including reclassification (g)	Units at Close of Year					Line No.
				Units Installed					Owned and used (h)	Leased from others (i)	Total in service of respondent [col (h) & (i)] (j)	Aggregate capacity of units reported in col (j) (See Ins. 7) (k)	Leased to others (l)	
				New units purchased or built (c)	New units leased from others (d)	Rebuilt units acquired and rebuilt units rewritten into property accounts (e)	All other units including reclassification and second hand units purchased or leased from others (f)							
17		Passenger-Train Cars Non-Self-Propelled												17
18		Coaches (PA, PB, PBO)												18
19		Combined cars (All class C, except CSB)												19
20		Parlor cars (PBC, PC, PL, PO)												20
		Sleeping cars (PS, PT, PAS, PDS)												
		Dining, grill, & tavern cars (All class D, PD)										N/A		
22		Nonpassenger carrying cars (All class B, CSB, M, PSA, IA)										N/A		22
23		TOTAL (Lines 17 to 22)												23
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)											N/A	30
31		Board outfit cars (MWX)											N/A	31
32		Derrick & snow removal cars (MWU, MWV, MWW, MWK)											N/A	32
33		Dump and ballast cars (MWB, MWD)											N/A	33
34		Other maintenance and service equipment cars											N/A	34
35		TOTAL (Lines 30 to 34)											N/A	35

PTC 710. INVENTORY OF EQUIPMENT - Continued

Instructions for reporting freight-train car data.

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

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

Line No.	Cross Check	Class of equipment and car designations (a)	Units in service of respondent at beginning of year		Changes during the year				Line No.
			Time-mileage cars (b)	All Others (c)	Units installed				
					New units purchased or built (d)	New or rebuilt units leased from others (e)	Rebuilt units acquired and rebuilt units rewritten into property accounts (t)	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 at close of year						
		Units retired from service of respondent whether owned or leased including reclassification (h)	Owned and used (i)	Leased from others (j)	Total in service of respondent (col. (i) & (j))		Aggregate capacity of units reported in col (k) & (l) (see ins. 4) (m)	Leased to Others (n)	Line No.
					Per diem (k)	All Others (l)			
56					N/A				56
57					N/A				57
58					N/A				58
59									59
60									60
61									61
62									62
63									63
64									64
65									65
66									66
67									67
68									68
69									69
70									70
NOTES AND REMARKS									

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

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

NEW UNITS

Line No.	Class of equipment (a)	Number of Units (b)	Total Weight (Tons) (c)	Total Cost (d)	Method of Acquisition (see instructions) (e)	Line No.
1						1
2						2
3						3
4						4
5						5
6						6
7						7
8						8
9						9
10						10
11						11
12						12
13						13
14						14
15						15
16						16
17						17
18						18
19						19
20						20
21						21
22						22
23						23
24						24
25	TOTAL	N/A	N/A	N/A	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	N/A	N/A	N/A	N/A	39

NOTES AND REMARKS

GENERAL INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE PTC 720

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

Track category 1

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

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

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

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

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

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

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

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

720. TRACK AND TRAFFIC CONDITIONS

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

Line No.	Track category	Mileage of tracks at end of period (whole numbers)	Average annual traffic density in millions of gross ton-miles per track-mile* (use two decimal places)	Average running speed limit (use two decimal places)	Track miles under slow orders at the end of period	Line No.
	(a)	(b)	(c)	(d)	(e)	
1	A	0	N/A	N/A	0	1
2	B	0	N/A	N/A	0	2
3	C	0	N/A	N/A	0	3
4	D	0	N/A	N/A	0	4
5	E	0	XXXXXXXXXX	XXXXXXXXXX	N/A	5
6	TOTAL	0	N/A	N/A	0	6
7	F	0	XXXXXXXXXX	XXXXXXXXXX	N/A	7
8	Potential abandonments	0				8

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

Footnote: PTC Grants
(Dollars in thousands)

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

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

NOTES AND REMARKS

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**

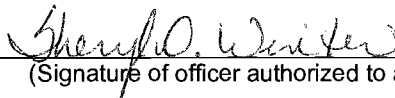
Thomas E. Hurlbut makes oath and states that he is **Vice President and Controller** of **Norfolk Southern Combined Railroad Subsidiaries** (see page 4 of STB Annual Report R-1); that it is his duty to have supervision over the books of accounts of the respondent and to control the manner in which such 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, 2015**, to and including **December 31, 2015**.



(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, 2016**. My commission expires **July 31, 2018**.

Commission ID No. 7024286



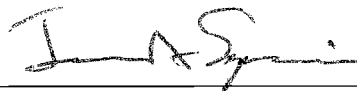
(Signature of officer authorized to administer oaths)

SUPPLEMENTAL OATH

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

**Commonwealth of Virginia
City of Norfolk**

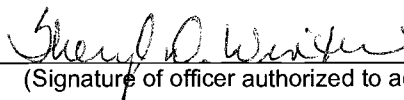
James A. Squires makes oath and states that he is **Chief Executive Officer** of **Norfolk Southern Combined Railroad Subsidiaries** (see page 4 of STB Annual Report R-1); that he has carefully examined the foregoing report; that he believes that all statements of fact contained in the said report are 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, 2015**, to and including **December 31, 2015**.



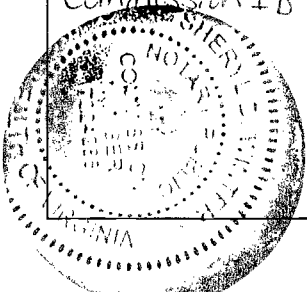
(Signature of affiant)

Subscribed and sworn to before me, a **Notary Public** in and for the State and City above named, this **31st** day of **March, 2016**. My commission expires **July 31, 2018**.

Commission ID No. 7024286



(Signature of officer authorized to administer oaths)



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

Office Addressed		Date of Letter, Fax or Telegram of			Subject			Answer Needed	Answer		
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