ANNUAL REPORT 1975 CLASS 1 R.R.
PENNSYLVANIA CO.

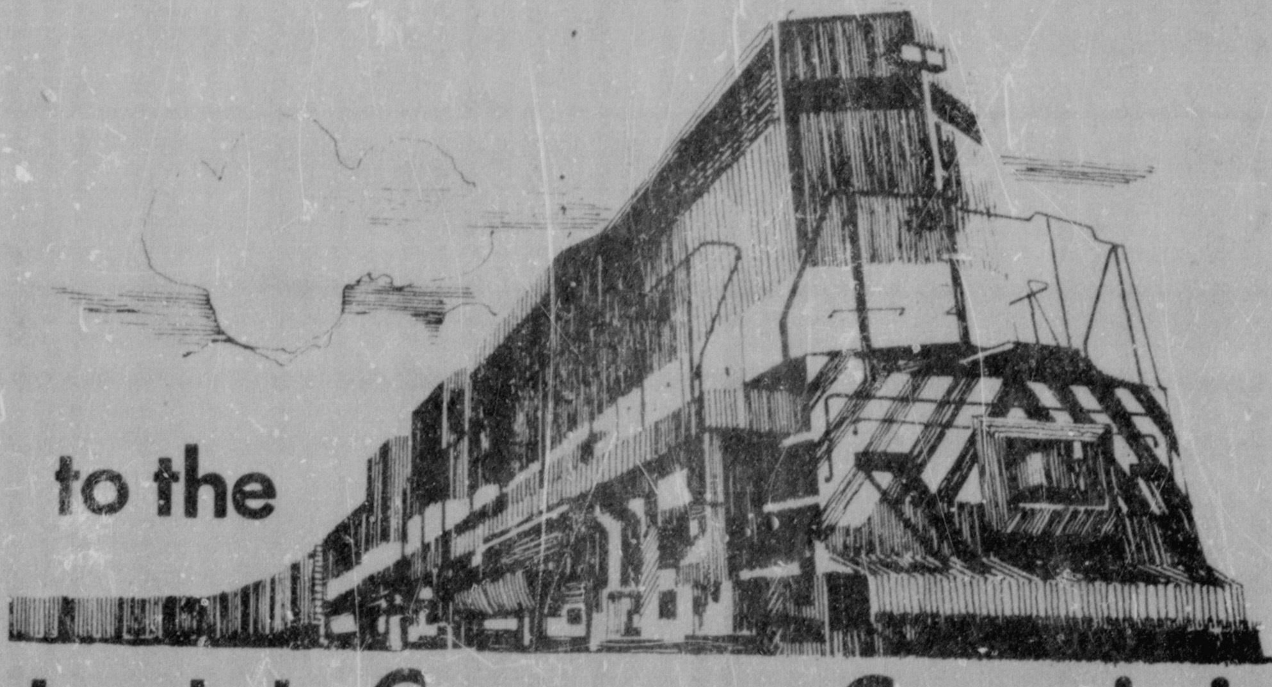
310040
Ø

R-1
CLASS I RAILROADS

annual report

INTERSTATE COMMERCE COMMISSION
BUREAU
OF ACCOUNTS
MAR 31 1976
RECEIVED
SECTION OF REPORTS

	125010040PENNSYLCOER 1 310040 PENNSYLVANIA CO 1616 NORTH FORT MYER DRIVE ARLINGTON, VIRGINIA 22209 R-1
Correct name and address if different than shown.	Full name and address of reporting carrier. (Use mailing label on original, copy in full on duplicate.)



to the Interstate Commerce Commission

FOR THE YEAR ENDED DECEMBER 31, 1975

NOTICE

1. This Form for annual report should be filled out in triplicate and two copies returned to the Interstate Commerce Commission, *Bureau of Accounts*, Washington, D.C. 20423, by *March 31, of the year following that for which the report is made*. One copy should be retained in respondent's files. Attention is specially directed to the following provisions of Part I of the Interstate Commerce Act:

SEC. 20. (1) The Commission is hereby authorized to require annual, periodical, or special reports from carriers, lessors, * * * (as defined in this section), to prescribe the manner and form in which such reports shall be made, and to require from such carriers, lessors, * * * specific and full, true, and correct answers to all questions upon which the Commission may deem information to be necessary, classifying such carriers, lessors, * * * as it may deem proper for any of these purposes. Such annual reports shall give an account of the affairs of the carrier, lessor, * * * in such form and detail as may be prescribed by the Commission.

(2) Said annual reports shall contain all the required information for the period of twelve months ending on the 31st day of December in each year, unless the Commission shall specify a different date, and shall be made out under oath and filed with the Commission at its office in Washington within three months after the close of the year for which report is made, unless additional time be granted in any case by the Commission.

(7) (b) Any person who shall knowingly and willfully make, cause to be made, or participate in the making of, any false entry in any annual or other report required under this section to be filed, * * * or shall knowingly or willfully file with the Commission any false report or other document, shall be deemed guilty of a misdemeanor and shall be subject, upon conviction in any court of the United States of competent jurisdiction, to a fine of not more than five thousand dollars or imprisonment for not more than two years, or both such fine and imprisonment: * * *

(7) (c) Any carrier or lessor, * * * or any officer, agent, employee or representative thereof, who shall fail to make and file an annual or other report with the Commission within the time fixed by the Commission, or to make specific and full, true, and correct answer to any question within thirty days from the time it is lawfully required by the Commission so to do, shall forfeit to the United States the sum of one hundred dollars for each and every day it shall continue to be in default with respect thereto.

(8) As used in this section * * * the term "carrier" means a common carrier subject to this part, and includes a receiver or trustee of such carrier, and the term "lessor" means a person owning a railroad, a water line, or a pipe line, leased to and operated by a common carrier subject to this part, and includes a receiver or trustee of such lessor. * * *

The respondent is further required to send to the Bureau of Accounts immediately upon preparation, two copies of its latest annual report to stockholders. See schedule 108, page 6.

2. The instructions in this Form should be carefully observed, and each *question should be answered fully and accurately*, whether it has been answered in a previous annual report or not. Except in cases where they are specifically authorized, cancellations, arbitrary check marks, and the like should not be used either as partial or as entire answers to inquiries. If any inquiry, based on a preceding inquiry in the present report form is, because of the answer rendered to such preceding inquiry, inapplicable to the person or corporation in whose behalf the report is made, such notation as "Not applicable; see page_____, schedule (or line) number_____" should be used in answer thereto, giving *precise reference to the portion of the report showing the facts which make the inquiry inapplicable*. Where the word "none" truly and completely states the fact, it should be given as the answer to any particular inquiry or any particular portion of an inquiry. Where dates are called for, the month and day should be stated as well as the year. Customary abbreviations may be used in stating dates.

3. *Every annual report should, in all particulars, be complete in itself*, and references to the returns of former years should not be made to take the place of required entries except as herein otherwise specifically directed or authorized.

4. If it be necessary or desirable to insert additional statements, typewritten or other, in a report, they should be legibly made on durable paper and, wherever practicable, on sheets not larger than a page of the Form. *Inserted sheets should be securely attached, preferably at the inner margin; attachment by pins or clips is insufficient.*

5. All entries should be made in a permanent black ink. Those of a contrary character should be indicated in parenthesis.

6. 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.

7. Railroad corporations, mainly distinguished as operating companies and lessor companies, are for the purpose of report to the Interstate Commerce Commission divided into classes. An *operating company* is one whose officers direct the business of transportation and whose books contain operating as well as financial accounts; and, a *lessor company*, the property of which being leased to and operated by another company, is one that maintains a separate legal existence and keeps financial but not operating accounts. In making reports, lessor companies use Annual Report Form R-4.

Operating companies (including switching and terminal) are broadly classified, with respect to their operating revenues, according to the following general definitions:

Class I companies are those having annual operating revenues of $5,000,000, or more. For this class, Annual Report Form R-1 is provided.

Class II companies are those having annual operating revenues below $5,000,000. For this class, Annual Report Form R-2 is provided.

In applying this classification to any switching or terminal company which is operated as a joint facility of owning or tenant railroads, the sum of the annual railway operating revenues, the joint facility rent income, and the returns to joint facility credit accounts in operating expenses, shall be used in determining its class.

Switching and terminal companies are further classified as:

Class S1. **Exclusively switching.** This class of companies includes all those performing switching service only, whether for joint account or for revenue.

Class S2. **Exclusively terminal.** This class of companies includes all companies furnishing terminal trackage or terminal facilities only, such as union passenger or freight stations, stockyards, etc., for which a charge is made, whether operated for joint account or for revenue. In case a bridge or ferry is a part of the facilities operated by a terminal company, it should be included under this heading.

Class S3. **Both switching and terminal.** Companies which perform both a switching and a terminal service. This class of companies includes all companies whose operations cover both switching and terminal service, as defined above.

Class S4. **Bridge and ferry.** This class of companies is confined to those whose operations are limited to bridges and ferries exclusively.

Class S5. **Mixed.** Companies performing primarily a switching or a terminal service, but which also conduct a regular freight or passenger traffic. The revenues of this class of companies include, in addition to switching or terminal revenues, those derived from local passenger service, local freight service, participation in through movement of freight or passenger traffic, other transportation operations, and operations other than transportation.

8. Except where the context clearly indicates some other meaning, the following terms when used in this Form have the meanings below stated:

COMMISSION means *the Interstate Commerce Commission.* RESPONDENT means *the person or corporation in whose behalf the report is made.* THE YEAR means *the year ended December 31 for which the report is made.* THE CLOSE OF THE YEAR means *the close of business on December 31 of the year for which the report is made*; or, in case the report is made for a shorter period than one year, it means *the close of the period covered by the report.* THE BEGINNING OF THE YEAR means *the beginning of business on January 1 of the year for which the report is made*; or, in case the report is made for a shorter period than one year, it means *the beginning of the period covered by the report.* THE PRECEDING YEAR means *the year ended December 31 of the year next preceding the year for which the report is made.* 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.*

9. All companies using this Form should complete all schedules, with the following exceptions, which should severally be completed by the companies to which they are applicable:

Schedules restricted to Switching and Terminal Companies		Schedules restricted to other than Switching and Terminal Companies	
Schedule	414	Schedule	411
"	415	"	412
"	532		

FOR INDEX SEE BACK OF BOOK

ANNUAL REPORT

OF

PENNSYLVANIA COMPANY

TO THE

INTERSTATE COMMERCE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 1975

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

(Name) Michael L. Cossel (Title) Corporate Controller

(Telephone number) (703) 841-1990
(Area code) (Telephone number)

(Office address) 1616 North Fort Myer Drive, Arlington, Virginia 22209
19th Floor
(Street and number, city, State, and ZIP code)

SPECIAL NOTICE

The attention of the respondent is directed below to certain particulars, if any, in which this report form differs from the corresponding form for the preceding year. It should be understood that mention is not made of necessary substitutions of dates or, in general, such other things as simple modifications intended to make requirements clearer, other minor adjustments, and typographical corrections.

Page 10: Schedule 200. Comparative General Balance Sheet - Assets

Provision has been made for reporting accrued depreciation on improvements on leased property.

Page 11B: Schedule 200. Comparative General Balance Sheet - Liability Side

Provision has been made for reporting treasury stock.

Page 23: Schedule 201. Items in Selected Current Asset Accounts

Reference to account 703, Special deposits, has been deleted from this schedule. A new Schedule 203 has been provided to report special deposits information.

Page 23A: Schedule 202. Compensating Balances and Short-Term Borrowing Arrangements

Page 23B: Schedule 203. Special Deposits

These are new schedules providing for reporting of compensating balances and certain short-term borrowing arrangements between carriers and financial institutions.

Page 73: Schedule 310. Railway Operating Revenues

Reference to accounts 106, Mail, and 107, Express, have been eliminated from this schedule.

Page 90: Schedule 376. Hire of Freight Cars and Highway Revenue Equipment

Title revised to reflect inclusion of highway revenue equipment data.

Page 96: Schedule 411. Instructions

Instructions for reporting track mileage have been revised to require whole miles rather than hundredths of miles.

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402 - Price $2.80
Stock Number 026-000-01016-1

TABLE OF CONTENTS

Road Initials: Year:

100. SCHEDULES OMITTED BY RESPONDENT

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

Page	Schedule No.	Title
24/25	204	Sinking, Capital Insurance, and Other Reserve Funds
41	211A	Other Elements of Investment
43	211C	Depreciation Base and Rates - Road and Equipment Leased to Others
44	211D	Depreciation Reserve - Road and Equipment Owned and Used
46	211F	Depreciation Reserve - Road and Equipment Leased to Others
47	211G	Amortization of Defense Projects - Road and Equipment Owned and Leased From Others
48	-	Notes and Remarks
49	211I	Unit Cost of Equipment Installed During the Year
50	211N-1	Investment in Railway Property Used in Transportation Service
51	211N-2	Investment in Railway Property Used in Transportation Service-Cont.
52/53	214	Miscellaneous Physical Property
61	220	Interest on Income Bonds
62	222	Amounts Payable to Affiliated Companies
70	233	Contingent Assets and Liabilities
71	234	Guaranties and Suretyships
72	235	Proprietary Companies
73	310	Railway Operating Revenues
74/81	320	Railway Operating Expenses
82/83	322	Road Property - Depreciation
	324	Retirements - Road
84/85	326	Shop and Power Plant Machinery - Depreciation
	328	Retirements - Equipment
	330	Equipment - Depreciation
86/87	350	Railway Tax Accruals
88	371	Income From Lease of Road and Equipment
	371A	Abstract of Terms and Conditions of Lease
	372	Miscellaneous Rent Income
89	375	Separately Operated Properties - Profit or Loss
90	376	Hire of Freight Cars
91	377	Locomotive Rentals
	378	Passenger - Train Car Rentals
92	383	Rent for Leased Roads and Equipment
93	384	Miscellaneous Rents
96	-	Instructions Concerning Returns in Schedule 411
97	411	Mileage Operated at Close of Year
98	411A	Mileage Owned But Not Operated by Respondent at Close of Year
99	412	Miles of Road at Close of Year-By States & Territories (Single Track)
100	413	Tracks Operated at Close of Year
101	414	Changes During the Year
102	-	Notes and Remarks

(continued)

Road Initials: PaCo Year: 1975

100. SCHEDULES OMITTED BY RESPONDENT

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

Page	Schedule No.	Title
103	415	Miles of Tracks at Close of Year-By States & Territories
104/ 109	417	Inventory and Equipment
110/ 111	412	Highway Motor Vehicle Operations
112	422	Highway Motor-Vehicle Enterprises in Which the Respondent Had a Direct or Indirect Financial Interest During the Year
113/ 114	510	Grade Crossings
115	511	Grade Separations
116	513	Ties Laid in Replacement
117	514	Ties Laid in Additional Tracts and in New Lines and Extensions
118	515	Rails Laid in Replacement
119	516	Rails Laid in Additional Tracts and in New Lines and Extensions
	517	Gauge of Track and Weight of Rail
120	531	Statistics of Rail-Line Operations
121	-	Instructions Concerning Schedule 531
126	566A	Transactions Between Noncarrier Subsidiaries of Respondent and Other Affiliated Companies or Persons for Services Received or Provided
127	566B	Other Transactions Between Noncarrier Subsidiaries of Respondent and Other Affiliated Companies or Persons
128	571	Consumption of Fuel by Motive-Power Units
	561C	Compensation Applicable to Prior Years
129	581	Contracts, Agreements, etc.
130	-	Notes and Remarks

101. 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 or 5 on this page have taken place during the year covered by this report, they *should be explained in detail* on page 101.

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" (p. 134). 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.

2. If incorporated under a special charter, give date of passage of the act; if under a general law, give date of filing certificate of organization; if a reorganization has been effected, give date of reorganization. If a receivership or other trust, 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. Give *specific* reference to laws of each State or Territory under which organized, citing chapter and section. Include all grants of corporate powers by the United States, or by Canada or other foreign country; also, all amendments to charter.

4. Give *specific* reference to special or general laws under which each consolidation or merger or combination of other form was effected, citing chapter and section. Specify Government, State, or Territory under the laws of which each company consolidated or merged or otherwise combined into the present company was organized; give reference to the charters of each and to all amendments of them.

5. 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 Pennsylvania Company

2. Date of incorporation December 15, 1958

3. Under laws of what Government, State, or Territory organized? If more than one, name all. Give specific reference to each charter or statute and all amendments thereof, effected during the year. If previously effected, show the year(s) of the report(s) setting forth details. If in bankruptcy, give court of jurisdiction and dates of beginning of receivership or trusteeship and of appointment of receivers or trustees

State of Delaware

4. If the respondent was formed as the result of a consolidation or merger during the year, name all constituent and all merged companies

Not Applicable

5. If respondent was reorganized during the year, give name of original corporation and state the occasion for the reorganization

Not Applicable

6. State whether or not the respondent during the year conducted any part of its business under a name or names other than that shown in response to inquiry No. 1, above; if so, give full particulars

No

7. Class of switching and terminal company

[See section No. 7 on inside of front cover]

Not Applicable

102. DIRECTORS

1. Give particulars of the various directors and officers of the respondent at the close of the year.

2. State in column (e) of schedule No. 102 and column (d) of schedule No. 103, the number of voting shares of the respondent, other than directors' qualifying shares, that were beneficially owned, directly or indirectly, by each director or principal general officer at the close of the year. This includes shares owned of record, shares owned through holding companies, trusts or other mediums, and shares owned but held in the names of brokers or other nominees. Insert the word "None" where applicable.

3. In schedule No. 103 give the title, name, and address of the principal general officers having system jurisdiction by departments, as follows: Executive, Legal, Fiscal and Accounting, Purchasing, Operating, and Traffic. If there are receivers, trustees, or committees, who are recognized as in the controlling management of the road or of some department of it, give also their names and titles, and the location of their offices, separately grouped and identified.

4. If the duties of an officer extend to more than one department, or if his duties are not in accordance with the customary acceptance of his given title, state briefly the facts in a footnote.

Line No.	Name of director (a)	Office address (b)	Date of beginning of term (c)	Date of expiration of term (d)	Number of voting shares actually or beneficially owned (e)	Remarks (f)
1	M.C. Crum	Harvard University	9/26/74	*	None	*Next annual meet-
2		Boston, MA 02163				ing of the Stock-
3	A.M. Frank	Citizens S&L Assn	3/16/72	*	None	holders or until a
4		San Francisco, CA 94102				successor is duly
5	G.P. Keeley	Buckeye P L Co.	10/24/73	*	None	elected and qualified.
6		Radnor, PA 19087				
7	F.E. Loy	1616 N. Ft. Myer	1/10/74	*	None	
8		Arlington, VA 22209				
9	J.F. Magee	A.D. Little Inc.	3/16/72	*	None	
10		Cambridge, MA 02140				
11	D.B. Miller	600 S. Spring St	3/28/74	*	None	
12		Los Angeles, CA 90014				
13	V.H. Palmieri	1616 N. Ft. Myer	10/22/70	*	None	
14		Arlington, VA 22209				
15	G.K. Whitney	200 Berkeley St	10/22/70	*	None	
16		Boston, MA 02116				
17	R.C. Wiese	Scudder, Stevens	3/16/72	*	None	
18		& Clark				
19		Boston, MA 02109				
20						

21. Give the names and titles of all officers of the *Board of Directors* in control of the respondent at the close of the year:
Chairman of board Victor H. Palmieri Secretary (or clerk) of board C. R. Lee
Frank E. Loy, Pres., George P. Keeley, Senior V.P.

22. Name the members of the *executive committee* of the *Board of Directors* of the respondent at the close of the year (naming first the chairman), and state briefly the powers and duties of that committee: None

103. PRINCIPAL GENERAL OFFICERS OF CORPORATION, RECEIVER, OR TRUSTEE

Line No.	Title of general officer (a)	Department or departments over which jurisdiction is exercised (b)	Name of person holding office at close of year (c)	Number of voting shares actually or beneficially owned (d)	Office address (e)
1	Pres. & Chief	Executive &	F.E. Loy	None	1616 N. Ft. Myer Dr.
2	Operating Ofcr.	Administration			Arlington, VA 22209
3					
4	Chair. of the Bd	Chief Exec. Ofcr.	Victor H. Palmieri	None	1616 N. Ft. Myer Dr.
5					Arlington, VA 22209
6	Sen. V. Pres.	Executive	G. P. Keeley	None	Same
7	V.P.-Finance,	Financial	C.R. Lee	None	1616 N. Ft. Myer Dr.
8	Secretary				Arlington, VA 22209
9					
10	Treasurer	Financial	P.H. Grantham	None	1616 N. Ft. Myer Dr.
11					Arlington, VA 22209
12					
13	Dir.-Business	Financial & Plan.	Ernest M. Miller	None	1616 N. Ft. Myer Dr.
14	Analysis & Planning				Arlington, VA 22209
15					
16	Corporate Controller	Accounting	Michael L. Cossel	None	1616 N. Ft. Myer Dr.
17					Arlington, VA 22209
18					
19					
20					

104. RELATIONSHIP OF RESPONDENT WITH AFFILIATED COMPANIES

Enter below in the appropriate schedule, No. 104A through 104D, the names of all companies, corporate and noncorporate, which are affiliated with the respondent and submit the information requested in each schedule. Control for the purpose of these schedules shall be construed to include sole or jointly held control, whether maintained or exercised through or by reason of the method of or circumstances surrounding organization or operation, through or by common directors, officers, or stockholders a voting trust or trusts, a holding or investment company or companies, or through or by any other direct or indirect means; and to include the power to exercise control. For the purposes of these schedules, forms of control shall include the following (among others):

1. Right through ownership of securities, an agreement of some character or through some other source to name the majority of the board of directors, managers, or trustees of the controlled company.
2. Right to foreclose a first lien upon all or a major part in value of the tangible property of the controlled company.
3. Right to secure control in consequence of advances made for construction of the operating property of the controlled company.

Right to control only in a specific respect the action of the controlled company or a lessee interest in the property of a company is not to be classed as a form of control over the lessor company.

104 A. COMPANIES CONTROLLED BY RESPONDENT

1. Enter in column (a) the names of all companies which are controlled solely or jointly by the respondent. If the respondent obtained control over a company during the year, indicate by footnote the date and manner in which control was established such as exchange of stock, exchange of assets for stock, cash purchase, etc.
2. In column (b) indicate the principal business activity of each company listed in column (a) such as transportation, manufacturing, investments, etc.
3. In column (c) indicate the form of control exercised over companies listed in column (a).
4. In column (d) indicate the extent of the control of the respondent in the controlled company. If control cannot be expressed by percentage of voting stock ownership, explain in detail by footnote.
5. In column (e) enter names of other companies, if any, that jointly control the companies listed in column (a).

Line No.	Name of Company Controlled (a)	Principal Business Activity (b)	Form of Control (c)	Extent of Control (d)	If Jointly Controlled Name Other Parties to the Agreement (e)
1	Arvida Corporation	Real Estate	Stock Ownership	59.34%	
2	Buckeye Pipe Line Company	Transportation	Stock Ownership	100.00%	
3	Clearfield Bituminous Coal Corp.	Real Estate	Stock Ownership	100.00%	
4	Great Southwest Corporation	Real Estate	Stock Ownership	93.80%	
5	Penn Towers, Inc.	Apartment Rental	Stock Ownership	100.00%	
6	Detroit, Toledo & Ironton RR Co.	Transportation	Stock Ownership	100.00%	
7	Connecting Railway Co.	Transportation	Stock Ownership	73.81%	Penn Central Trans. Co.
8	Penn Arlington, Inc.	Real Estate	Stock Ownership	100.00%	
9	Pennrec, Co.	Recreational	Stock Ownership	100.00%	
10	Penn Houston, Inc.	Real Estate *(A)	Stock Ownership	100.00%	
11					
12					
13	*(A) Pennsylvania Company purchased for cash 100%				
14	of stock of Penn Houston, Inc. on March 6, 1975				
15					
16					
17					
18					
19					

104A. COMPANIES CONTROLLED BY RESPONDENT—Continued

Line No.	Name of Company Controlled (a)	Principal Business Activity (b)	Form of Control (c)	Extent of Control (d)	If Jointly Controlled Name Other Parties to the Agreement (e)
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					
49					
50					
51					
52					
53					
54					
55					
56					
57					

Road Initials: PaCo Year: 1975

104 B. COMPANIES INDIRECTLY CONTROLLED BY RESPONDENT

1. Enter in column (a) the names of all companies which are controlled through intermediary companies. If control was obtained during the year, indicate by footnote the date and manner in which control was established, such as exchange of stock, exchange of assets for stock, cash purchase, etc.
2. In column (b) indicate the principal business activity of the companies listed in column (a) such as transportation, manufacturing, investments, etc.
3. In column (c) indicate the form of control exercised over companies listed in column (a).
4. In column (d) indicate the extent of the control over companies listed in column (a). If control cannot be expressed by percentage of voting stock ownership, explain in detail by footnote.
5. In column (e) enter the names of intermediate companies through which control is exercised over companies listed in column (a).

Line No.	Name of Company Controlled (a)	Principal Business Activity (b)	Form of Control (c)	Extent of Control (d)	Name of Intermediary Through Which Control Exists (e)
1					
2		See Detail Schedule Page 5A			
3					
4					
5					
6					
7					
8					
9					
10					

104 C. COMPANIES UNDER COMMON CONTROL WITH RESPONDENT

1. Enter in column (a) the names of all companies which are controlled by the same interest that control the respondent.
2. In column (b) indicate the principal business activity of the companies listed in column (a) such as transportation, manufacturing, investments, etc.
3. In column (c) indicate the form of control exercised over companies listed in column (a).
4. In column (d) indicate the extent of the control over companies listed in column (a). If control cannot be expressed by percentage of voting stock ownership, explain in detail by footnote.
5. In column (e) enter the names of companies controlling those listed in column (a).

Line No.	Name of Company Controlled (a)	Principal Business Activity (b)	Form of Control (c)	Extent of Control (d)	Name of Controlling Company or Individual (e)
1	All subsidiaries of Penn Central	Transportation Company not included in Schedule 104A or 104B			
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					

104 B. COMPANIES INDIRECTLY CONTROLLED BY RESPONDENT

Line No.	Name of Company Controlled (a)	Principal Business Activity (b)	Form of Control (c)	Extent of Control (d)	Name of Intermediary Through Which Control Exists (e)
1.	Buckeye Tank Terminals, Inc.	Transportation	Stock Ownership	100.00%	Buckeye Pipe Line Company
2.	Arvida Realty Sales, Inc.	Real Estate	Stock Ownership	59.34%	Arvida Corporation
3.	Frank B. Morgan & Co.	Insurance	Stock Ownership	59.34%	Arvida Corporation
4.	Arvida Investment Co.	Investments	Stock Ownership	59.34%	Arvida Corporation
5.	Arvida Mortgage Co.	Real Estate	Stock Ownership	59.34%	Arvida Corporation
6.	51st Street Realty Corp.	Leasing Agency	Stock Ownership	100.00%	Clearfield Bituminous Coal Corp.
7.	Coto de Caza Development Corp.*	Real Estate	Stock Ownership	93.80%	Great Southwest Corp.
8.	Six Flags, Inc. & Subsidiaries	Amusement Parks	Stock Ownership	93.80%	Great Southwest Corp.
9.	Great Southwest Overseas				
10.	Financial Corp. N.V.	Finance	Stock Ownership	93.80%	Great Southwest Corp.
11.	The Greenhouse, Inc.	Health Spa	Stock Ownership	93.80%	Great Southwest Corp.
12.	Leadership Mortgage Investment Co. and Subsidiaries	Real Estate	Stock Ownership	93.80%	Great Southwest Corp.
13.	I.C. Deals Companies, Inc.	Apartment Rentals	Stock Ownership	93.80%	Great Southwest Corp.
14.	GSC Development Corp. (Texas) and Subsidiaries	Real Estate Development	Stock Ownership	93.80%	Great Southwest Corp.
15.	Ann Arbor Railroad Co., Debtor	Transportation	Stock Ownership	99.94%	Detroit, Toledo & Ironton RR Co.
16.	DT&I Enterprises, Inc.	Transportation	Stock Ownership	99.94%	Detroit, Toledo & Ironton RR Co.
17.	Delaware Car Leasing Co.	Transportation	Stock Ownership	60.00%	DTI Enterprises, Inc.
18.	General Car Leasing Co.	Transportation	Stock Ownership	60.00%	DTI Enterprises, Inc.
19.	Greencar Corporation	Transportation	Stock Ownership	60.00%	DTI Enterprises, Inc.
20.	Pennsylvania Car Leasing Co.	Transportation	Stock Ownership	60.00%	DTI Enterprises, Inc.
21.	Little Miami R.R. Co.	Transportation	Stock Ownership	58.31%	Connecting Ry. Co.
22.	Ptsbg., Youngstown & Ash. Ry. Co.	Transportation	Stock Ownership	58.68%	Connecting Ry. Co.
23.	Penn Orlando, Co.	Wax Museum	Stock Ownership	100.00%	Pennrec, Co.
24.	Arvida Management Co.	Management	Stock Ownership	59.34%	Arvida Corporation
25.	Arvida of Georgia, Inc.	Real Estate	Stock Ownership	59.34%	Arvida Corporation
26.	Ohio Oil Gathering Corp.	Transportation	Stock Ownership	100.00%	Buckeye Pipe Line Co.

* Formerly Bonnie Valley Corp.

104C. COMPANIES UNDER COMMON CONTROL WITH RESPONDENT—Continued

Line No.	Name of Company Controlled (a)	Principal Business Activity (b)	Form of Control (c)	Extent of Control (d)	Name of Controlling Company or Individual (e)
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					
49					
50					

104 D. COMPANIES CONTROLLING RESPONDENT

1. Enter in column (a) the names of all companies controlling the respondent. Commence with the company which is most remote followed by the company immediately controlled by it. If control over the respondent or control over an intermediary through which respondent is controlled has changed during the year, indicate by footnote the date and manner in which control was established such as exchange of stock, exchange of assets for stock, cash purchase, etc
2. In column (b) indicate the principal business activity of the companies listed in column (a) such as transportation, manufacturing, investments, etc.
3. In column (c) indicate the form of control exercised by the company immediately controlled by it.
4. In column (d) indicate the extent of control. If control cannot be expressed by percentage of voting stock ownership, explain in detail by footnote.

Line No.	Name of Controlling Company or Individual (a)	Principal Business Activity (b)	Form of Control (c)	Extent of Control (d)
1	Penn Central Transportation Company*	Transportation	Stock Ownership	100%
2				
3	* On June 21, 1970 Penn Central Transportation Company went into reorganization			
4	under Section 77 of the Federal Bankruptcy Act. The trustees are John W. MacArthur,			
5	Robert W. Blanchette, and Richard C. Bond.			
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				

108 STOCKHOLDERS REPORTS

1. The respondent is required to send to the Bureau of Accounts, 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 July 1, 1976 or as soon as report becomes available.
(date)

☐ No annual report to stockholders is prepared.

NOTES AND REMARKS

109. VOTING POWERS AND ELECTIONS

1. State the par value of each share of stock: Common, $ 25 per share; first preferred, $ 100 per share; second preferred $ N/A per share; debenture stock, $ N/A 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-See Note (p.9)

3. Are voting rights proportional to holdings? Note (p.9) If not, 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? Note (p.9) 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 Common stock never closed - preferred stock December 26, 1975 (A)

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. 4,985,000 votes, as of 31 December 1975 (Date)

8. State the total number of stockholders of record, as of the date shown in answer to inquiry No. 7. One stockholders.

9. Give the names of the thirty security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent (if within 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 which 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 agreements give, as supplemental information on page 13, 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.*

List under Footnotes, page 9, Other Securities with Voting Power.

Line No.	Name of security holder (a)	Address of security holder (b)	Number of votes to which security holder was entitled (c)	NUMBER OF VOTES, CLASSIFIED WITH RESPECT TO SECURITIES ON WHICH BASED — Stocks — Common (d)	Preferred — Second (e)	Preferred — First (f)
1	Penn Central Trans. Co.	Philadelphia, PA	4,985,000	4,985,000	-0-	-0-
2						
3						
4						
5	(A) Preferred stock	book closed for dividend record date.				
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						

Note: Schedule 109, Voting Powers and Elections, continued on page 9.

109. VOTING POWERS AND ELECTIONS—(Continued From Page 8)

10. State the total number of votes cast at the latest general meeting for the election of directors of the respondent. 4,985,000 votes cast.

11. Give the date of such meeting. April 23, 1970

12. Give the place of such meeting. Wilmington, Delaware

NOTES AND REMARKS

Note: Re Section 109, Questions 2, 3, 5

Holders of Preferred Stock have the right to elect two directors when six quarterly dividends are in default and also (a) have the right to vote as a class on

(i) matters adversely affecting the preferences, rights or powers of the Preferred Stock

(ii) the creation of any class of stock ranking on a parity with the Preferred Stock, and

(iii) the voluntary dissolution of the corporation,

and (b) have the right to vote with all other outstanding shares on any proposed increase in the authorized amount of Preferred Stock. See I.C.C. Finance Docket No. 23019.

200. COMPARATIVE GENERAL BALANCE SHEET—ASSETS

For instructions covering this schedule, see the text pertaining to General Balance Sheet Accounts in the Uniform System of Accounts for Railroad Companies. The entries in this balance sheet should be consistent with those in the supporting schedules on the pages indicated. The entries in column (c) should be restated to conform with the accounting requirements followed in column (b). The entries in the short column (a2) should be deducted from those in column (a1) in order to obtain corresponding entries for column (b). All contra entries hereunder should be indicated in parenthesis.

Line No.	Account or item (a) (Dollars in thousands)	(a1) Total book assets at close of year	(a2) Respondent's own issues included in (a1)	Balance at close of year (b)	Balance at beginning of year (c)
				$	$
	CURRENT ASSETS				
1	(701) Cash			269	857
2	(702) Temporary cash investments (p. 23)			39,952	18,112
3	(703) Special deposits (p. 23)			17	56
4	(704) Loans and notes receivable (p. 23)			313	75
5	(705) Traffic, car service and other balances-Dr.			-	-
6	(706) Net balance receivable from agents and conductors			-	-
7	(707) Miscellaneous accounts receivable			5,642	108
8	(708) Interest and dividends receivable			-	-
9	(709) Accrued accounts receivable (p. 23)			1	1
10	(710) Working fund advances			90	6
11	(711) Prepayments (p. 23)			-	-
12	(712) Material and supplies			-	-
13	(713) Other current assets (p. 23)				
14	(714) Deferred income tax charges (p. 87)				
15	Total current assets			46,284	19,215
	SPECIAL FUNDS				
16	(715) Sinking funds (pp. 24 and 25)			-	-
17	(716) Capital and other reserve funds (pp. 24 and 25)			-	-
18	(717) Insurance and other funds (pp. 24 and 25)			-	-
19	Total special funds			-	-
	INVESTMENTS				
20	(721) Investments in affiliated companies (pp. 28-31)			469,424	462,352
21	Undistributed earnings from certain investments in account 721 (pp. 35A and 35B)			(100,578)	(94,344)
22	(722) Other investments (pp. 32-35)			89,102	108,949
23	(723) Reserve for adjustment of investment in securities—Credit (p. 27, Instruction 9) p. 27 (A-B)			160,959	166,769
24	(X) Reserve for net unrealized loss on marketable equity sec.			(14,146)	N/A
	Total investments (account 721,722,723)			282,843	310,188
25	(731) Road and equipment property: Road			-	-
26	Equipment			-	-
27	General expenditures			-	-
28	Other elements of investment			-	-
29	Construction work in progress			-	-
30	Total (pp. 38-41)			-	-
31	(732) Improvements on leased property: Road			-	-
32	Equipment			-	-
33	General expenditures			221	-
34	Total (pp. 38-41)			221	-
35	Total transportation property (accounts 731 and 732)			221	-
36	(733) Accrued depreciation—Improvements on leased property (p. 45)			10	-
37	(735) Accrued depreciation—Road and equipment (pp. 44 and 46)			-	-
38	(736) Amortization of defense projects—Road and Equipment (p. 47)			-	-
39	Recorded depreciation and amortization (accounts 733, 735 and 736)			10	-
40	Total transportation property less recorded depreciation and amortization (line 35 less line 39)			211	-
41	(737) Miscellaneous physical property (pp. 52 and 53)			-	-
42	(738) Accrued depreciation - Miscellaneous physical property (pp. 52 and 53)			-	-
43	Miscellaneous physical property less recorded depreciation (account 737 less 738)			-	-
44	Total properties less recorded depreciation and amortization (line 40 plus line 43)			211	-

COMPARATIVE GENERAL BALANCE SHEET—ASSETS—Continued on page 11

NOTE.—See page 12 for explanatory notes, which are an integral part of the Comparative General Balance Sheet.

'For compensating balances not legally restricted, see Schedule 202.

(X) See Note 41, page 14 for explanation.

200.—COMPARATIVE GENERAL BALANCE SHEET—ASSETS—Continued

Line No.	Account or item (a) (Dollars in thousands)	Balance at close of year (b)	Balance at beginning of year (c)
		$	$
	OTHER ASSETS AND DEFERRED CHARGES		
45	(741) Other assets (p. 54)		
46	(742) Unamortized discount on long-term debt	527	599
47	(743) Other deferred charges (p. 54)		
48	(744) Accumulated deferred income tax charges (p. 87)		
49	Total other assets and deferred charges		599
50	TOTAL ASSETS	329,865	330,002

200. COMPARATIVE GENERAL BALANCE SHEET-EXPLANATORY NOTES

The notes listed below are provided for the purpose of disclosing supplementary information concerning matters which have an important effect on the financial condition of the carrier. The carrier shall give the particulars called for herein and where there is nothing to report, insert the word "none"; and in addition thereto shall enter in separate notes with suitable particulars other matters involving material amounts of the character commonly disclosed in financial statements under generally accepted accounting and reporting principles, except as shown in other schedules. This includes explanatory statements explaining (1) service interruption insurance policies and indicate 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. *(Dollars in thousands)*

1. Show hereunder the estimated accumulated tax reductions realized during current and prior years under Section 168 (formerly Section 124-A) and under Section 167 of the Internal Revenue Code because of accelerated amortization of emergency facilities and accelerated depreciation of other facilities and also depreciation deductions resulting from the use of the new guideline lives, since December 31, 1961, pursuant to Revenue Procedure 62-21 in excess of recorded depreciation. The amount to be shown in each case is the net accumulated reductions in taxes realized less subsequent increases in taxes due to expired or lower allowances for amortization or depreciation as a consequence of accelerated allowances in earlier years. Also, show the estimated accumulated net income tax reduction realized since December 31, 1961, because of the investment tax credit authorized in the Revenue Act of 1962. In the event provision has been made in the accounts through appropriations of surplus or otherwise for the contingency of increase in future tax payments, the amounts thereof and the accounting performed should be shown.

(a) Estimated accumulated net reduction in Federal income taxes since December 31, 1949, because of accelerated amortization of emergency facilities in excess of recorded depreciation under Section 168 (formerly Section 124-A) of the Internal Revenue Code $ None

(b) Estimated accumulated savings in Federal income taxes resulting from computing book depreciation under Commission rules and computing tax depreciation using the items listed below $

N/A Accelerated depreciation since December 31, 1953, under Section 167 of the Internal Revenue Code.

N/A Guideline lives since December 31, 1961, pursuant to Revenue Procedure 62-21.

N/A Guideline lives under Class Life System (Asset Depreciation Range) since December 31, 1970, as provided in the Revenue Act of 1971.

(c)(i) Estimated accumulated net income tax reduction utilized since December 31, 1961, because of the investment tax credit authorized in the Revenue Act of 1962, as amended $

(ii) If carrier elected, as provided in the Revenue Act of 1971, to account for the investment tax credit under the deferral method, indicate the total deferred investment tax credit in account 784, other deferred credits, at beginning of year $ None

Add investment tax credits applied to reduction of current year's tax liability but deferred for accounting purposes $ None

Deduct deferred portion of prior year's investment tax credit used to reduce current year's tax accrual $(None)

Other adjustments (indicate nature such as recapture on early disposition) $ None

(d) Estimated accumulated net reduction in Federal income taxes because of accelerated amortization of certain rolling stock since December 31, 1969, under provisions of Section 184 of the Internal Revenue Code $ None

(e) Estimated accumulated net reduction in Federal income taxes because of amortization of certain rights-of-way investments since December 31, 1969, under the provisions of Section 185 of the Internal Revenue Code $ None

2. Amount of accrued contingent interest on funded debt recorded in the balance sheet:

Description of obligation	*Year accrued*	*Account No.*	*Amount*
None			
			$ None

Continued on following page

200. COMPARATIVE GENERAL BALANCE SHEET—LIABILITIES AND SHAREHOLDERS' EQUITY

For instructions covering this schedule, see the text pertaining to General Balance Sheet Accounts in the Uniform System of Accounts for Railroad Companies. The entries in this balance sheet should be consistent with those in the supporting schedules on the pages indicated. The entries in column (c) should be restated to conform with the accounting requirements followed in column (b). The entries in short column (a1) should reflect total book liability at close of year. The entries in the short column (a2) should be deducted from those in column (a1) in order to obtain corresponding entries for column (b). All contra entries hereunder should be indicated in parenthesis.

Line No.	Account or item (a) (Dollars in thousands)			Balance at close of year (b)	Balance at beginning of year (c)
	CURRENT LIABILITIES			$	$
51	(751) Loans and notes payable (p. 63)			45,200	45,200
52	(752) Traffic, car service and other balances-Cr.			-	-
53	(753) Audited accounts and wages payable			199	-
54	(754) Miscellaneous accounts payable			-	849
55	(755) Interest matured unpaid			15	53
56	(756) Dividends matured unpaid			-	-
57	(757) Unmatured interest accrued			421	456
58	(758) Unmatured dividends declared			215	227
59	(759) Accrued accounts payable (p. 63)			365	540
60	(760) Federal income taxes accrued (p. 64)			-	-
61	(761) Other taxes accrued (p. 64)			24	21
62	(762) Deferred income tax credits (p. 87)			-	-
63	(763) Other current liabilities (p. 63)			-	20
64	Total current liabilities (exclusive of long-term debt due within one year)			46,439	47,366
	LONG-TERM DEBT DUE WITHIN ONE YEAR	(a1) Total issued	(a2) Held by or for respondent		
65	(764) Equipment obligations and other debt (pp. 56-59)			2,000	4,400
	LONG-TERM DEBT DUE AFTER ONE YEAR	(a1) Total issued	(a2) Held by or for respondent		
66	(765) Funded debt unmatured (pp. 56-59)			61,623	64,055
67	(766) Equipment obligations (pp. 56-59)	-	-	-	-
68	(767) Receivers' and Trustees' securities (pp. 56-59)	-	-	-	-
69	(768) Debt in default (pp. 56-59)	-	-	-	-
70	(769) Amounts payable to affiliated companies (p. 62)			-	-
71	Total long-term debt due after one year			61,623	64,055
	RESERVES				
72	(771) Pension and welfare reserves (p. 65)			-	-
73	(772) Insurance reserves (p. 65)			-	-
74	(774) Casualty and other reserves (p. 65)			-	-
75	Total reserves			-	-
	OTHER LIABILITIES AND DEFERRED CREDITS				
76	(781) Interest in default (p. 58)			-	-
77	(782) Other liabilities (p. 65)			870	2,200
78	(783) Unamortized premium on long-term debt			-	-
79	(784) Other deferred credits (p. 65)			-	-
80	(785) Accrued liability—Leased property (p. 45)			-	-
81	(786) Accumulated deferred income tax credits (p. 87)				
82	Total other liabilities and deferred credits			870	2,200
	SHAREHOLDERS' EQUITY				
	Capital stock (Par or stated value)	(a1) Total issued	(a2) Nominally issued securities		
83	(791) Capital stock issued: Common stock (p. 67)			124,625	124,625
84	Preferred stock (p. 67)			18,585	19,619
85	Total			143,210	144,244
86	(792) Stock liability for conversion (p. 68)			-	-
87	(793) Discount on capital stock			-	-
88	Total capital stock			143,210	144,244
	Capital surplus				
89	(794) Premiums and assessments on capital stock (p. 69)			-	-
90	(795) Paid-in surplus (p. 69)			35,932	31,328
91	(796) Other capital surplus (p. 69)			-	-
92	Total capital surplus			35,932	31,328

COMPARATIVE GENERAL BALANCE SHEET—LIABILITIES AND SHAREHOLDERS' EQUITY—CONTINUED ON PAGE 13.

Note.—See page 11 for explanatory notes, which are an integral part of the Comparative General Balance Sheet.

200. COMPARATIVE GENERAL BALANCE SHEET—LIABILITIES AND SHAREHOLDERS' EQUITY—Concluded

Line No.	Account or item (a) (Dollars in thousands)	Balance at close of year (b)	Balance at beginning of year (c)
	Retained income	$	$
93	(797) Retained income—Appropriated (p. 69)	-	-
94	(798) Retained income—Unappropriated (p. 20) from January 1, 1972	53,937	36,409
95	Total retained income	53,937	36,409
	Net unrealized loss on marketable equity sec.	(14,146)	N/A
	Treasury Stock	-	-
96	(798.5) Less: Treasury stock		
97	Total shareholders' equity	218,933	211,981
98	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	329,865	330,002

200. COMPARATIVE GENERAL BALANCE SHEET-EXPLANATORY NOTES—Concluded

3. As a result of dispute concerning the recent increase in per diem rates for use of freight cars interchanged, settlement of disputed amounts has been deferred awaiting final disposition of the matter. The amounts in dispute for which settlement has been deferred are as follows:

Item	As recorded on books: Amount in dispute	Account Nos. Debit	Account Nos. Credit	Amount not recorded
Per diem receivable	$ None			$
Per diem payable				
Net amount	$	XX XX XXXX	XX XX XXXX	$ None

4. 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

5. 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 See Note 7 page 14 $ N/A

6. (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: No pension plan at 12/31/75

(b) State amount, if any, representing the excess of the actuarially computed value of vested benefits over the total of the pension fund. $ N/A

(c) Is any part of pension plan funded? Specify. Yes ______ No ______

(i) If funding is by insurance, give name of insuring company ______

(ii) If funding is by trust agreement, list trustee(s) ______

Date of trust agreement or latest amendment ______

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 ______

(e)(i) Is any part of the pension plan fund invested in stock or other securities of the respondent or any of its affiliates? Specify.

Yes ______ No ______

If yes, give number of the shares for each class of stock or other security: ______

(ii) Are voting rights attached to any securities held by the pension plan? Specify. Yes ______ No ______ If yes, who determines how stock is voted? ______

NOTES AND REMARKS

GENERAL NOTES - Investment Accounts:

In accordance with financial accounting standard No. 12, the company has provided an investment reserve of $14,146,000 as further described in Note 4i on page 14. The company has requested commission approval of this presentation but such approval was pending at the filing date of March 31, 1976.

NOTES AND REMARKS

PENNSYLVANIA COMPANY

NOTES TO FINANCIAL STATEMENTS

SUMMARY OF ACCOUNTING POLICIES:-

Investments:

Pennsylvania Company (the company) carries its investments in its majority-owned nonrail companies (with the exception of Great Southwest Corporation (GSC) at its equity in the underlying net assets of these companies. The company's investment in GSC is carried at $10,000,000, the amount of the company's cash investment in the February 10, 1975 recapitalization of GSC (more fully described in Note 4 (d)). Earnings of GSC will not be recognized by the company until GSC's shareholder's equity exceeds the carrying value of the company's investment therein, after giving effect to the minority interest. Other investments are generally carried at fair market value at December 31, 1971 based on quoted market prices or as determined by independent appraisers in connection with the quasi-reorganization which is further described in Note 2.

Quasi-Reorganization:

As described in Note 2, the Board of Directors, with the consent of the company's common shareholder, adopted a "quasi-reorganization" as of December 31, 1971. In connection therewith, some of the asset revaluations involved significant uncertainties. Accordingly, any material gains and losses in regard to those assets, which are not clearly attributable to events occurring or circumstances arising subsequent to December 31, 1971, will not be reported in the income statement but rather as adjustments to capital surplus. It is the intention of the present Board to report, as adjustments to capital surplus, gains or losses which may arise as a consequence of the reorganization of, or related to the reorganization proceedings of, Penn Central Transportation Company ("Transportation Company").

NOTE 1 - PENN CENTRAL TRANSPORTATION COMPANY REORGANIZATION AND REGIONAL RAIL REORGANIZATION ACT OF 1973:

The Transportation Company, the company's parent, entered into reorganization proceedings in June 1970 under Section 77 of the Federal Bankruptcy Act. These proceedings have had a significant effect on the financial position and operations of the company and its subsidiaries, relating to the availability of credit and other matters.

In 1969 all of the company's common stock was pledged by the Transportation Company to a group of 53 banks to secure a $300 million loan made by the banks to the Transportation Company. The Trustees of the property of the Transportation Company (the "Trustees") entered into a Settlement Agreement dated February 25, 1972 with 49 of these banks. Had the Settlement Agreement been consummated, it would have resulted

NOTES AND REMARKS

in those banks owning approximately 95% of the common stock of the company. The Settlement Agreement, by its terms, terminated on April 16, 1973 when the Reorganization Court declined to approve it at that time. The court stated that its decision was without prejudice to further consideration of the matter, but neither the banks nor the Trustees have requested such further consideration.

Certain common stockholders of Penn Central Company, which owns all of the common stock of the Transportation Company, and others filed petitions in 1972 challenging the validity of the pledge of the company's common stock to the bank group. These petitions were heard by the Reorganization Court in conjunction with the hearings relating to the Settlement Agreement, but no decision has been issued as yet.

On October 19, 1973, First National City Bank, as agent for the 53 banks which loaned the $300 million to the Transportation Company, filed a petition with the Reorganization Court requesting the entry of an order authorizing the sale of the company's common stock to satisfy the banks' claims. Subsequently, the Trustees filed a motion to dismiss this petition without prejudice to its consideration at a date subsequent to a decision with respect to the petition challenging the valididy of the banks' pledge. The Reorganization Court has not yet acted upon the banks' petition or the Trustees' motion.

In response to a petition in 1970 by the banks which hold the pledge of the company's common stock, the Reorganization Court ordered that the Transportation Company as a shareholder may not cause the company to pay any dividends on common stock, or cause advances or transfers of property from the company to the Transportation Company.

In 1974, Congress enacted the Regional Rail Reorganization Act of 1973 which mandated the development of a plan for restructuring the bankrupt northeast and midwest railroads, including the company's parent. This plan, as approved in 1975, provides for conveyance of most of the rail properties of the Transportation Company, primarily to newly-formed Consolidated Rail Corporation (ConRail). This conveyance is scheduled to take place on April 1, 1976. (See Note 4(k)).

NOTE 2 - QUASI-REORGANIZATION:

The changes in nature and composition of a substantial portion of the company's operations resulting from the reorganization proceedings

NOTES AND REMARKS

of the Transportation Company led to significant reductions in the carrying values of certain of the company's investments in 1970 and 1971. In addition, certain adjustments (primarily restatements and accounting changes of majority-owned nonrail companies) further reduced the company's assets and retained earnings at December 31, 1971, the aggregate effect of which would have resulted in a deficit in the retained earnings account. However, in view of these circumstances, the Board of Directors, with the consent of the company's common shareholder, adopted a quasi-reorganization as of December 31, 1971. This is an accounting procedure whereby companies can achieve a "fresh start" for accounting purposes. The procedure involves a revaluation of a company's assets and liabilities, including increases as well as decreases, and the elimination of retained earnings by a transfer from (or to) capital surplus. The balance remaining after the net write-down from revaluation of assets in connection with the quasi-reorganization was transferred to capital surplus.

Management cautions that the values reflected for these investments and advances should not be construed as necessarily representative of realizable values either at December 31, 1971 or at the present time, or of ultimate values upon the sale or other disposition of those assets, including any realization on the railroad companies.

NOTES AND REMARKS

NOTE 3 - QUASI-REORGANIZATION ADJUSTMENTS TO CAPITAL SURPLUS:

As explained in Note 2 above, some of the company's revaluations involved significant uncertainties. The quasi-reorganization procedure provides that, in such cases, any material gains and losses arising subsequently, which are not clearly attributable to events occurring or circumstances arising after the date of the quasi-reorganization, shall not be reported in the income statement but shall be reported as adjustments to capital surplus. Accordingly, during 1975 and 1974 capital surplus was adjusted as follows:

	Adjustments to Capital Surplus	
	1975	1974
Excess of principal amount over purchase price of long-term debt reacquired	$171,000	$1,729,000
Adjustment relating to the sale of the Cambria and Indiana Railroad (Note 4c)	(42,000)	
Gain on sale of Montour Railroad Company (Note 4j)	2,185,000	
Liquidating dividend received from The Pullman Company (Note 4k)	1,774,000	
Amounts expended in conjunction with litigation settlement (Note 10)		(1,951,000)
	$4,088,000	$ (222,000)

NOTES AND REMARKS

NOTE 4 - INVESTMENTS AND ADVANCES:

Condensed financial data on significant majority-owned companies are contained in a separate section of this report.

(a) Arvida Corporation:

During 1975, the company purchased an additional 57,700 shares of Arvida; increasing its ownership percentage to 59% from the previous 58%. The underlying equity in the shares purchased exceeded the purchase price by $507,000. This excess is being amortized over a 60-month period, beginning April 1, 1975, and is classified as an addition to the company's equity in Arvida's earnings. Arvida, pursuant to a loan agreement, has agreed to certain restrictions among which is the amount of cash dividends that can be paid.

(b) Buckeye Pipe Line Company:

Certain of the long-term debt agreements of Buckeye, the common stock of which is wholly owned, contain provisions which, among other things, require maintenance of specified working capital and restrict Buckeye's right to mortgage or pledge property, purchase its common stock, assume or incur future indebtedness and restrict the use of retained earnings for the declaration of annual dividends. In 1974 and 1975, certain dividend restrictions were waived to permit the payment of common stock dividends of $6,000,000 in 1974 and to allow Buckeye to declare and pay during 1975 and 1976 aggregate cash dividends of $22,000,000 to its common stockholder. In 1975, Buckeye declared $19,000,000 in common stock dividends; $14,000,000 was paid in December 1975 and $5,000,000 was paid in January 1976. In December 1975, Buckeye entered into a Revolving Credit and Term Loan Agreement (RCTL) which, subject to regulatory approval, will replace a similar 1974 RCTL. Buckeye will be permitted to pay common stock dividends approximately equal to earnings attributable to common stock through 1978, following regulatory approval of the RCTL. All of the common stock of Buckeye is pledged to secure the company's 8½% collateral trust bonds.

NOTES AND REMARKS

(c) Clearfield Bituminous Coal Corporation:

During 1975, Clearfield's 40% common stock investment in the Cambria & Indiana Railroad (C&I) was sold for $2,750,000. The net gain (after giving effect to a tax allocation agreement with the Transportation Company and state taxes) of $858,000 was reflected in Clearfield's income for 1975. Due to the fact that the carrying value of the company's investment in Clearfield reflected a quasi-reorganization write-up (Clearfield's investment in the C&I was treated as though it were a direct investment of the company in an operating railroad since January 1, 1972), the gain on the sale of the C&I was eliminated from the company's equity in Clearfield's 1975 income. The difference between the gain and the quasi-reorganization write-up ($900,000) was charged against capital surplus - See Note 3.

Clearfield's legal counsel has advised it that no liability exists for the years 1968 through 1972 and a portion of 1973 under the tax allocation agreement because of certain bad debt deductions allowable to Clearfield with respect to amounts advanced to the Transportation Company. Included in Clearfield's income tax liability at December 31, 1975 is an amount of approximately $1,300,000 which had been provided in the years 1969 through 1973 for this contingency. If its legal counsel's opinion is ultimately determined to be correct, this amount would be restored to retained earnings.

Based on the intent and substance of its coal reserve transactions, Clearfield accounts for certain coal leases under the operating method and accounts for certain others as outright sales of coal reserves. During 1974, Clearfield entered into a group of coal leases which were accounted for as sales. The net pre-tax gain ($2,644,000) on these sales comprised the amount of advance royalties reduced by the net book value of the properties and directly related expenses. Future production royalties based on net tonnage mined under these leases, which provide for escalation as defined, net of amounts that are offset against the advance royalties, will be recognized as income.

(d) Great Southwest Corporation:

On February 10, 1975 the company participated in a major recapitalization of GSC with certain of GSC's major lenders and substantially all of its preferred stockholders. As part of the recapitalization, the company (a) made an additional equity investment of $10,000,000 cash (b) canceled $22,060,980 aggregate par value of preferred stock of GSC together with certain dividends in arrears relating thereto, (c) canceled a $10,000,000 convertible note of GSC (written off to capital

NOTES AND REMARKS

surplus in 1973) and (d) canceled a warrant to purchase 2,075,360 shares of GSC common stock. In exchange the company received an additional 60,000,000 shares of GSC common stock, thereby increasing its common stock ownership to approximately 94% from 81%. (In the event common stock purchase warrants issued to creditors of GSC other than the company are exercised, the company's percentage ownership of GSC common stock would decrease to 87%). In addition, the company received $10,000,000 aggregate par value of a new series of 3% preferred stock of GSC. Finally, if the settlement described in Note 10 is not consummated, the company is obligated to surrender for cancellation an additional $1,500,000 aggregate par value of preferred stock together with certain dividends on preferred stock of GSC currently in arrears. Additional details of the recapitalization are described in the condensed financial statements of GSC. The recapitalization reduced GSC's shareholders' deficit as of February 10, 1975 by approximately $20,000,000 due to the company's new equity investment and debt cancellation. Consistent with the company's policy of not recognizing earnings of GSC until GSC's shareholders' equity exceeds the carrying value of the company's investment therein, after giving effect to the minority interest, dividends on the cumulative preferred stock will be recognized as income by the company only to the extent cash is received.

(e) Other Majority-Owned Nonrail Companies:

PENNREC, CO.:

Pennrec, Co., through its wholly owned subsidiary, Penn Orlando, Co., financed the development of the Stars Hall of Fame (wax museum) in Orlando, Florida which was officially opened in May, 1975. The museum was developed and is being operated under a management services agreement with Six Flags, Inc., which is a wholly owned subsidiary of Great Southwest Corporation.

The aggregate fixed asset cost of the museum was approximately $5,340,000. In addition, approximately $730,000 of preoperating expenses relating principally to the training of personnel and marketing expenses were deferred and are being amortized over a five-year period. The museum had revenues of approximately $1,624,000 in 1975 and a net operating loss of approximately $231,000 which includes depreciation and preoperating expense amortization of $255,000.

PENN ARLINGTON, INC.:

Penn Arlington, Inc. is a company with real estate holdings (approximately 53 acres at December 31, 1975) in the Great Southwest Industrial District, Dallas-Fort Worth, Texas. This acreage was part of the original 65 acres purchased in 1974 from the company's subsidiary, Great Southwest Corporation, with the price based on independent appraisal. During 1975, approximately 12 acres were sold in two separate transactions for an aggregate sales price of $491,000 which approximated book value.

NOTES AND REMARKS

PENN HOUSTON, INC.:

Penn Houston, Inc. is a company with real estate holdings in California. This property was transferred to Penn Houston by the company in 1975 following foreclosure on various secured notes which has been purchased by the company in 1974 from its subsidiary, Great Southwest Corporation. During 1975, two parcels were sold for an aggregate sales price of $924,000 which resulted in a gain of approximately $285,000.

(f) Other Nonrail Investments:

The 292,422 common shares of Madison Square Garden Corporation owned by the company, adjusted for a one for five reverse split in 1973, were appraised at a value of $15.00 per share at December 31, 1971 in conjunction with the quasi-reorganization, resulting in their being carried at a value of $4,400,000 in the company's statements. The closing prices of such shares on the New York Stock Exchange at the end of 1975 was $4.00 and on March 19, 1976 was $5.87. Management of the company at this time does not believe that the value of this investment is permanently impaired and there is no present intention to dispose of it. (See Note 4(i) for reserve for net unrealized loss on marketable equity securities).

The company's investment in the common stock of Penn Towers, Inc., which is carried at zero is considered to be temporary and, therefore, is not classified as a majority-owned nonrail company. During 1973, 1974 and 1975 the company loaned $347,000, $1,353,000, and $1,330,000 respectively (totaling $3,030,000), under a fifth consolidated mortgage to Penn Towers. These loans were charge against the $3,900,000 previously provided to guarantee debt. The future profitability of Penn Towers is uncertain and, accordingly, there is no assurance that the company will not have to fund part or all of the original $3,900,000 guarantee of Penn Towers' debt. The debt guaranteed by the company matures on December 31, 1976. The company is negotiating with the lender to extend the maturity date to December 31, 1978. Based on discussions to date, management believes that this extension will be obtained on terms substantially similar to those under the existing debt agreement and that any necessary regulatory approval will be obtained. Accordingly, the company has classified the liability for guaranteed debt as a noncurrent liability in the accompanying balance sheet at December 31, 1975.

In February 1976, the company sold its remaining investment in the Series A preferred stock (40,656 shares) of Strick, Inc. back to Strick for $3,800,000 plus accrued dividends from December 1, 1975. The gain (approximately $670,000) on the transaction will be reflected in earnings in 1976.

(g) Norfolk and Western Railway Company Securities:

The securities of Norfolk and Western Railway Company owned by the company are subject to various pledges, restrictions and agreements as noted below:

NOTES AND REMARKS

2/22/73

On October 16, 1964, the Norfolk and Western-Nickel Plate-Wabash Unification Plan became effective pursuant to an order of the Interstate Commerce Commission. As ordered by the Commission, voting rights of the Norfolk and Western common stock have been placed with voting trustees until completion of the company's divestiture of its Norfolk and Western common stock, which initially was required by October 15, 1974. During 1973, the Commission modified its previous orders and extended until October 15, 1979, the date by which the company must divest itself of all its shares of Norfolk and Western common stock.

The following shares of Norfolk and Western common stock were pledged, or held in escrow at December 31, 1975:

Obligation	Shares pledged or in escrow for exchange
5-1/4% collateral trust bonds	487,280
9% sinking fund debentures	272,560
4-5/8% cumulative preferred stock	142,511
	902,351

At December 31, 1975 there were 32,930 shares of Norfolk and Western common stock owned by the company that were not pledged or in escrow for exchange.

The closing prices on the New York Stock Exchange at the end of 1971 and 1975 and on March 19, 1976 for the Norfolk and Western shares were $75.25, $63.87, and $79.37, respectively (see Note 4(i) for reserve for net unrealized loss on marketable equity securities). In conjunction with the quasi-reorganization, the company's investment in Norfolk and Western common stock was revalued to equal the closing price at the end of December 1971. The 1974 financial statements include a write-down of $2,368,000 in the carrying value of 193,800 shares of Norfolk and Western common stock which were sold by the company from January 2 to March 14, 1975 (see Note 4(h)). The write-down reflected the excess of carrying value over proceeds realized from these transactions.

All 22,836 shares of Wabash Railroad Company preferred stock owned by the company are also required to be divested by the company by October 15, 1979 pursuant to the aforementioned order of the Interstate Commerce Commission (see Note 4(i) for reserve for net unrealized loss on marketable equity securities).

(h) Sales and Exchanges of Investments:

During 1975 and 1974 sales and exchanges of investments resulted in a net gain of $128,000 and a net loss of $8,374,000, respectively,

NOTES AND REMARKS

comprised of the following:

	1975	1974
	gain (loss)	
Loss on Norfolk and Western Railway Company common stock sold during the year	$ (466,000)	$ (556,000)
Excess of carrying value over market value of Norfolk and Western Railway Company common stock sold from January 2 to March 14, 1975 (Note 4g)		(2,368,000)
Loss on Norfolk and Western Railway Company 4-5/8% debentures sold during the year		(6,082,000)
Excess of carrying value over market value of Norfolk and Western Railway Company common stock exchanged for preferred stock (Note 8)	(77,000)	(53,000)
Gain on partial redemption of Strick, Inc. preferred stock	531,000	531,000
Other	140,000	154,000
	$128,000	$(8,374,000)

(i) Reserve for Net Unrealized Loss on Marketable Equity Securities:

At December 31, 1975, the company's marketable equity securities, which comprise its entire holdings of the common stocks of Madison Square Garden and Norfolk and Western Railway Company and the preferred stock of Wabash Railroad Company, are carried at the lower of their aggregate quasi-reorganization values (cost) or market as follows:

	December 31, 1975		
	Cost	Market	Unrealized gain (loss)
Madison Square Garden (292,422 shares)	$ 4,400,000	$ 1,170,000	$ (3,230,000)
Norfolk and Western Railway Co. (935,281 shares)	70,380,000	59,741,000	(10,639,000)
Wabash Railroad Company (22,836 shares)	1,270,000	993,000	(277,000)
	$76,050,000	$61,904,000	$(14,146,000)

NOTES AND REMARKS

To reduce the carrying amount of these securities to market at December 31, 1975, a reserve in the amount of $14,146,000 was established by a charge to shareholders' equity representing the net unrealized loss. As of March 19, 1976, increases in the market value of these securities since December 31, 1975 were sufficient to eliminate the reserve for net unrealized loss. At December 31, 1974, marketable equity securities were not required to be carried at the lower of their aggregate cost or market at the balance sheet date and were carried at cost. Marketable equity securities had a carrying cost of $93,605,000 and market value of $74,466,000 at December 31, 1974.

NOTES AND REMARKS

(j) Railroad Companies (Operating):

On February 27, 1976, the company participated in refinancing certain debt obligations of Detroit, Toledo & Ironton Railroad Company (DT&I). As a part of the refinancing (a) the company made an informal advance of $400,000 to DT&I and purchased for $1,000,000 from DT&I's subsidiary, DTI Enterprises, Inc. (Enterprises), its equity interests in four car leasing companies and (b) a newly-formed subsidiary of the company purchased from Enterprises, certain real estate for a net cash sales price of $3,053,000 and assumed the balances, aggregating $150,000 owing by Enterprises on land contracts covering certain parcels of the real estate. The agreements relating to these transactions include provisions which allow Enterprises to participate under specified conditions in specific profits, if any, which the company or a subsidiary may realize on any sale of the real estate. The agreements also provide that until May 1, 1980, Enterprises will have a right to repurchase the stock of the car leasing companies from the company and a right of first refusal with respect to any third party offer to purchase the stock from the company. As a condition to the refinancing, the company agreed to subordinate to a conditional sales agreement and a line of credit agreement (entered into by DT&I as part of the refinancing) the company's existing $1,750,000 advance to DT&I and the $400,000 informal advance referred to above (DT&I has agreed that it will not pay, and so the company will not accrue, the 6% interest on the existing $1,750,000 advance to DT&I, at least until repayment of the conditional sales agreement). The four car leasing companies were formed as financing vehicles for purchasing railroad rolling stock and their sole activity is to lease such rolling stock, approximately 12,500 railroad freight cars at December 31, 1975, to the Transportation Company. The equity interests purchased by the company in two of the car leasing companies holding approximately 80% of rolling stock at December 31, 1975 are subject to substantial dilution upon the exercise of third party options to purchase stock from those companies. Upon exercise of the options, the third parties would own approximately 90% of the stock of the largest company and 50% of the outstanding stock of the other. The options are generally exercisable in 1979 and 1980. Additional details of the refinancing are described in the condensed financial statements of DT&I.

A wholly owned subsidiary of the Detroit, Toledo & Ironton Railroad Company (DT&I), the Ann Arbor Railroad Company, is in reorganization under Section 77 of the Federal Bankruptcy Act.

In March 1975, the company sold its 50% interest in the Montour Railroad Company to the owner of the other 50% interest, an affiliated company of the Transportation Company. The excess of the sales price ($2,950,000) over the carrying value of the company's investment (established in connection with the quasi-reorganization) was credited to capital surplus as a quasi-reorganization adjustment - see Note 3.

NOTES AND REMARKS

(k) Railroad Companies (Leased Lines) and Other Rail Investments:

The company owns 74% of the capital stock of The Connecting Railway Company and 35% of the common stock of The Philadelphia, Baltimore and Washington Railway Company (PB&W), the balance of the common stock of each of which is owned by, and all of the assets of each of which are leased to, the Transportation Company. No rentals have been paid under these leases since the Transportation Company filed its reorganization petition. Both of these leased lines have filed for reorganization under Section 77 of the Federal Bankruptcy Act.

The Reorganization Court may permit the Trustees of the Transportation Company to disaffirm certain leases, including leases of properties of railroads in which the company has an interest. It is not possible to determine the effect, if any, disaffirmation of such leases would have on the carrying value of the company's investments in such leased lines.

As described in Note 1, a conveyance is scheduled for April 1, 1976 of certain rail properties of railroads in reorganization in the northeast and midwest region and of the railroads leased. operated or controlled by such railroads.

Included among the rail properties designated to be conveyed are assets of railroads in which the company has an investment, including The Connecting Railway Company and PB&W. Also included are assets of railroads in which The Connecting Railway Company, PB&W and DT&I have investments.

In return for properties conveyed to ConRail, each transferor will receive common stock and Series B preferred stock in ConRail. Both securities will be junior to debentures and Series A preferred stock that the United States will receive for its investment of approximately $2.1 billion in ConRail. In addition, each transferor will receive certificates of value.

These certificates, which must be redeemed for cash no later than December 31, 1987, are full faith and credit obligations of the United States whose principal purpose is to assure that transferors of rail properties to ConRail receive compensation worth no less than the net liquidation value of those properties. The certificates issued to the transferors are to be redeemed at a price that reflects the net liquidation value of the properties conveyed to ConRail, plus any compensable unconstitutional erosion (i.e., reduction in value) suffered as a result of Government-mandated rail operations during bankruptcy, minus the value of the benefits accruing as a result of the procedures of the legislation - all as determined by a three-judge Special Court - together with interest compounded at a rate of 8 percent per annum from the conveyance date to the date the certificates are redeemed. The market value at the time the certificates are redeemed of the ConRail securities received will also be deducted in calculating the redemption price. If the constitutional minimum value of the rail properties

NOTES AND REMARKS

conveyed to ConRail exceeds the value of the compensation received by the transferor for such properties, the transferor will have a Tucker Act claim against the United States in the Court of Claims for any such excess.

With respect to rail properties transferred to ConRail for subsequent sale or lease to Amtrak (e.g., the Northeast Corridor properties), a State, or a local or regional transportation authority, the base value of the certificates of value to be received by the transferor will include the net liquidation value of such properties as determined by the Special Court. If the Special Court concludes that the terms of this transfer are not fair and equitable to the transferor, (e.g., because the constitution requires that a higher value be placed on the properties than the court determined net liquidation value), it may order a judgment against ConRail for the shortfall, which judgment is to be paid by the United States.

With respect to rail properties conveyed to transferees other than ConRail, each transferor will receive from the transferee compensation equivalent in value to the net liquidation value of the transferred properties as determined by United States Railway Association. If the Special Court determines that the terms of transfer are not fair and equitable,(e.g., because the constitution requires that a higher value be placed on the assets than USRA's net liquidation value), the Special Court is to enter a judgment for the shortfall against the United States, which judgment will be paid in cash.

The value of the compensation to be received by each such transferor cannot now be predicted, since it depends upon a number of matters that must be judicially resolved, including the net liquidation value and the minimum constitutional value of the rail properties conveyed to ConRail and, in the case of the leased lines, the allocation of value as between the leased lines and their lessee, the Transportation Company.

During 1975, The Pullman Company, as a result of a favorable ruling on an appeal of a 1973 court decision, paid a liquidating dividend of $1,774,000 ($15 per share) to the company which was credited to capital surplus. The company's carrying value for this investment had previously been written off as a quasi-reorganization adjustment in 1973.

NOTE 5 - PAYABLE TO BANK:

The company failed to pay a $50,000,000 bank loan due in June 1970, a portion of the proceeds of which was loaned to a subsidiary of the Transportation Company and the remainder used to purchase Clearfield Bituminous Coal Corporation. The reduction of the principal amount to the present balance of $45,200,000 resulted from the lenders offsetting funds of the company on deposit with them. A preferred shareholder of the company brought two actions seeking to have the loan declared not to be an obligation of the company. The company was named as a nominal defendant in these actions. During 1975 the preferred shareholder made a demand upon the company's Board of Directors to take over one of the actions. The company responded by moving the courts in both actions to realign the company as plaintiff with exclusive control of the litigation. The company's motion has been granted in one action in federal court in New York. The company's motion is pending in the other action, which is in the New York state court. In October 1975 Chemical Bank, as agent of the lending banks, commenced a separate action against the company to collect the outstanding balance of the loan. The company responded by asserting as affirmative defenses and counterclaims the allegations in the first two actions. Discovery applicable in all three actions has occurred. Unless the litigation is settled, it is expected that at least one action will be tried during 1976 and that the final determination first reached in any one action will govern the others. Meanwhile, the company is continuing to pay interest currently on the loan, without prejudice to its rights as ultimately determined in the litigation.

NOTE 6 - LONG-TERM DEBT:

As of December 31, 1975, long-term debt was as follows:

	Total amount	Amount due within one year
5-1/4% collateral trust bonds due 1985	$12,182,000	
8-1/4% collateral trust bonds due 1989	29,100,000	$2,000,000
9% sinking fund debentures due 1994	22,341,000	
	$63,623,000	$2,000,000

Principal payments and sinking fund requirements (after deducting bonds which have been repurchased and are expected to be used to reduce applicable sinking fund requirements) for the next five years are as follows:

1976	$2,000,000
1977	2,000,000
1978	2,000,000
1979	3,397,000
1980	3,397,000

NOTES AND REMARKS

The company is required by the Indenture for the 8-1/4% Collateral Trust Bonds to make a $2,000,000 sinking fund payment on December 1, 1975 (the amount reflected under the long-term debt due within one year) and each year thereafter until 1988. Reacquired bonds may be used at par to meet this obligation. Prior to December 31, 1975, the company had repurchased $5,900,000 of this debt, and had used $2,000,000 of this amount to satisfy the sinking fund requirement for 1975; however, no election has been made as to the 1976 sinking fund payment.

Investments with a carrying value of $148.952,000 at December 31, 1975 have been pledged as security for loans or are otherwise restricted (see Note 4).

At the option of the holders of the 9% sinking fund debentures, each $1,000 debenture may be exchanged for 12.2 shares of Norfolk and Western Railway Company common stock until April 15, 1979. This exchange rate is subject to adjustment under certain conditions specified in the Indenture. In the opinion of counsel, no such adjustment is required. The company is required under the terms of the Indenture to maintain net tangible assets, as defined, of at least 300% of all funded debt which is not subordinated to such debentures. Net tangible assets at December 31, 1975 exceeded the amount which the company was required to maintain.

The 4-5/8% cumulative preferred stock similarly limits the amount of funded debt which may be incurred by the company, but in an amount which at December 31, 1975 was less restrictive than that described above.

NOTE 7 - FEDERAL INCOME TAXES:

The operations of the company and its subsidiaries owned 80% or more by the company alone or in conjunction with other Penn Central Transportation Company subsidiaries are included in consolidated federal income tax returns filed by Penn Central Company. Two sudsidiaries of the company, Great Southwest Corporation and Clearfield Bituminous Coal Corporation, have tax allocation agreements with Penn Central Transportation Company. These agreements provide for payments to the Transportation Company in amounts equal to 95% of federal taxes which would be payable if the subsidiaries filed separate returns, but which were eliminated by joining in the consolidated return. Similarly, the agreements provide for refunds, if refunds would be allowable on separate return bases. See Note 4c.

No income tax provision has been made by the company in the accompanying statements because of losses in the consolidated tax return. Tax benefits, if any, which may result from the quasi-reorganization adjustments will be reflected as an adjustment of capital surplus if realized in the future.

NOTES AND REMARKS

Prior to 1975, the Internal Revenue Service had proposed federal income tax deficiencies relating to the years 1954 to 1961 of approximately $50,000,000, exclusive of interest, against the Transportation Company and certain of its subsidiaries that were included in the consolidated federal tax group during that period. The Transportation Company and its subsidiaries filed initial protests against the proposed deficiencies; however, as a result of the Transportation Company's reorganization proceedings, the cases were returned to the office of the District Director of Internal Revenue for review. The consolidated returns for the years 1962 to 1964 were under examination at the time the Transportation Company entered into reorganization. This examination was not continued and no deficiencies for these years had been proposed.

In July 1975, the Internal Revenue Service revised its proposed deficiencies from $50,000,000 to approximately $28,000,000. In addition, the Internal Revenue Service included the years 1962 to 1964. The company and certain of its majority-owned companies are severally liable for any such deficiency.

Through counsel, the Transportation Company has notified the District Director of Internal Revenue that it does not agree with the adjustments giving rise to the proposed deficiencies and that it will file a written protest if a satisfactory settlement cannot be reached. In October 1975, the Transportation Company submitted to the Internal Revenue Service its offer of final settlement and disposition of the consolidated federal income tax liability for the years 1954-1969, inclusive, of the consolidated group. No accrual has been made in the accounts for additional taxes, or interest thereon, with respect to the years 1954 to 1964.

NOTE 8 - PREFERRED STOCK:

At the option of the holder, the preferred stock is exchangeable into shares of Norfolk and Western Railway Company common stock subject to antidilution provisions contained in the company's certificate of incorporation. The current exchange ratio is .7663 of a share of Norfolk and Western for each share of preferred stock. As a result of conversions, the company had acquired, at December 31, 1975, 520,044 shares of such preferred stock. These shares may be used to satisfy, through 1987, the company's requirement to retire 35,295 of these shares annually. In addition, the preferred stock is redeemable at the option of the company at any time at par plus unpaid dividends and a

NOTES AND REMARKS

premium of $7.00 per share to July 1, 1976 which decreases in equal annual amounts to $5.00 per share in 1979.

During 1975, 10,341 (6,682 in 1974) shares of preferred stock were exchanged for 7,907 (5,107 in 1974) shares of Norflok and Western common stock. A loss of $77,000 ($53,000 in 1974) was recognized through this exchange, which loss represents the aggregate amount by which the carrying value of the Norfolk and Western common stock exceeded the market value at the time of exchange. Additionally, the aggregate difference, $516,000 ($336,000 in 1974), between the par value of preferred shares tendered and the market value of Norfolk and Western common shares given in exchange was credited to capital surplus.

NOTE 9 - EXECUTIVE MANAGEMENT AGREEMENT:

Effective June 1, 1973, the company entered into an agreement with Victor Palmieri and Company Incorporated pursuant to which the company will obtain executive management services, including the services of Victor Palmieri as Chief Executive Officer, for the five-year term of the agreement, subject to earlier termination under certain conditions. Victor Palmieri and Company Incorporated receives a monthly fee for providing these services and in addition will be entitled to receive an amount up to 5% of the growth in appraised value of the company's nonrail assets (less liabilities and preferred stock) during the period of this agreement. In general, for purposes of this agreement and this note, "nonrail assets" include all of the company's securities, and exclude the Detroit, Toledo & Ironton Railroad Company and most other rail assets.

The concept of this agreement is to provide an incentive participation based on increased values of such nonrail assets over the term of this agreement. Specifically, the agreement provides that on its termination, the value of the company's net nonrail assets shall be determined by majority vote in arbitration proceedings by a panel of three persons, one of whom shall be selected by each of the parties to the agreement and the third by the first two. These arbiters are to agree to the best method or methods of determining fair value of the assets, using techniques which take into account the diversity of the business and investments of the company and the possibility that such assets should be valued individually and by different methods rather than in the aggregate by a single method. The agreement further provides that valuation methods should be selected after consideration of the possibility that either a going-concern value or an underlying asset value might be appropriate.

NOTES AND REMARKS

The increase in value of the net assets is to be determined by measuring the termination value against a base amount of $154 million (which was established by relying principally on asset valuations previously determined by Kuhn, Loeb and Co.). If such termination value is greater, Victor Palmieri and Company Incorporated shall be paid by the company a percentage of such increase in value, commencing at one percent if the agreement had terminated in 1973 and increasing at a rate of one percent per year to five percent in 1977. If any rail assets are converted into money or property, such money or property shall become nonrail assets for the purposes of the agreement and the base amount shall be adjusted to include the value of such money or property at the date of conversion.

Because of the nature of the specified arbitration process, it is not feasible to determine the amount of any incremental increase in values from the base amount on a year-to-year basis during the term of the agreement. Accordingly, the amount of participation in increased values, if any, of the assets of the company which may ultimately be due, cannot be determined at this time and no provision has been made for this potential obligation in the accompanying financial statements. It is the intention of the company to account for any payment under the incentive participation provision of the executive management agreement as a charge to income in the year the obligation to pay a specific amount becomes fixed.

NOTE 10 - LITIGATION AND CONTINGENT LIABILITIES:

The company is a defendant in numerous lawsuits instituted since the Transportation Company entered into reorganization proceedings. All of the suits are based on events which occurred prior to those proceedings. In certain of these suits Penn Central Company, the Transportation Company, other affiliated companies and certain majority-owned companies are also defendants. The suits can be categorized as follows:

(a) Actions filed in or transferred to the Federal court for the Eastern District of Pennsylvania (and one action in each of the Pennsylvania and New York state courts) which are part of or aligned with a multitude of suits referred to as the Penn Central Securities Cases, in many of which the company is not a party. Actions in this category involving the company include allegations (i) that the former management of the

NOTES AND REMARKS

company, the Transportation Company and others caused the company to enter into various transactions which did not serve any proper company purposes or wrongfully disadvantaged the company; (ii) that there were misrepresentations or omissions in financial or other published information (including in this category are two actions in which the company is not a defendant but in which the plaintiffs have threatened to name the company as a defendant); and (iii) that the company engaged in improper conduct in connection with its exercise of control over Great Southwest Corporation to the detriment of that company and its minority shareholders. The company has entered into agreements to settle the foregoing cases. The company's contribution to this settlement (which was agreed upon prior to the February 10, 1975 recapitalization of Great Southwest Corporation--See Note 4(d)) consists of $1,806,000 in cash and 5 million shares of common stock and 1.5 million shares of preferred stock of Great Southwest Corporation owned by the company which have been deposited into escrows for payment to the plaintiffs. The company has also agreed to forgive $6,851,000 in dividends in arrears on preferred stock of Great Southwest Corporation owned by the company. The company expects that such settlement will be consummated during 1976. In 1974, the company charged a total of $1,951,000, representing the amount to be paid out in the settlement plus expenses to capital surplus as a quasi-reorganization adjustment.

(b) Actions against the company, the Transportation Company and others based on alleged misrepresentations and omissions in financial or other published information which are not included in the proposed settlement.

(c) Actions relating to the $45.2 million bank loan described in Note 5.

(d) An action against the company, Great Southwest Corporation and others alleging misrepresentations or omissions in financial and other information furnished in connection with the offering of certain limited partnership interests and breach of contract.

(e) An action against the company by the Trustee of The Pittsburgh, Youngstown & Ashtabula Railway Company in connection with the non-payment of interest on its debt and dividends on its preferred stock. Such interest and dividends are claimed to be payable out of funds allegedly owing to The Pittsburgh, Youngstown & Ashtabula by the company. It is the company's intention, based upon advice of counsel, to defend this suit aggressively.

NOTES AND REMARKS

Investigations into a number of transactions and activities of Penn Central Company, its affiliates, its former officers and directors, and and others, some of which relate to the company and certain of its majority-owned companies, have been conducted by certain government agencies, including the Securities and Exchange Commission, and the Trustees of the Transportation Company.

The company is not able to predict whether additional claims will be made against it based on actions by its former management or by the former management of its majority-owned companies or to predict the likely ultimate outcome of the pending litigaiton, or to determine the effect, if any, of such outcome on the financial condition of the company. Consequently, no provision has been made therefore in the accompanying financial statements, except for the charge to capital surplus relating to the proposed settlement as described above.

Pursuant to agreements entered into in 1959, the company is obligated to make advances to certain railroad-related subsidiaries in order to provide these subsidiaries with funds for specified purposes. No advances have been required to date. Because advances are called for only under particular circumstances and for specific purposes, the company is unable to estimate whether any such advances will be required and, if so, in what amounts.

NOTE 11 - REPORTS TO THE INTERSTATE COMMERCE COMMISSION:

The company files annual reports with the Interstate Commerce Commission in accordance with the Commission's rules and regulations which, beginning in 1974, conformed with generally accepted accounting principles.

NOTES AND REMARKS

300. INCOME ACCOUNT FOR THE YEAR

1. Give the Income Account of the respondent for the year in accordance with the rules prescribed in the Uniform System of Accounts for Railroad Companies.

2. In column (d) show against the appropriate account the amount of income that is offset by deductions in other income accounts of respondent *so far as they relate to companies the operations of which are covered by this operating report*, the amount of such deductions or dispositions to be also shown against appropriate accounts. For example, road (A) operates road (B) under lease for a rental of $1,000,000, but road (A) owns 50 percent of the stock of road (B) on which it receives $250,000 in dividends. The entries in column (d) should be: Account No. 513, "Dividend income," $250,000; Account No. 542, "Rent for leased roads and equipment," $250,000. Again, if road (C) has issued its own securities to acquire a part or all of the securities of road (D), a separately operated carrier, no entries should be made in column (d) by road (C) even though dividends or interest be received on such securities held by road (C). But if road (D) is a

Line No.	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Offsetting debits and credits for current year (d)
	ORDINARY ITEMS	$	$	$
	OPERATING INCOME			
	Railway Operating Income			
1	(501) Railway operating revenues (p. 73)	-	-	
2	(531) Railway operating expenses (p. 74)	-	-	
3	Net revenue from railway operations	-	-	
4	(532) Railway tax accruals (p. 86)	-	-	
5	(533) Provision for deferred taxes (p. 87)	-	-	
6	Railway operating income	-	-	
	Rent Income			
7	(503) Hire of freight cars and highway revenue equipment— Credit balance (p. 90)	-	-	
8	(504) Rent from locomotives (p. 91)	-	-	
9	(505) Rent from passenger-train cars (p. 91)	-	-	
10	(506) Rent from floating equipment	-	-	
11	(507) Rent from work equipment	-	-	
12	(508) Joint facility rent income	-	-	
13	Total rent income	-	-	
	Rents Payable			
14	(536) Hire of freight cars and highway revenue equipment— Debit balance (p. 90)	-	-	
15	(537) Rent for locomotives (p. 91)	-	-	
16	(538) Rent for passenger-train cars (p. 91)	-	-	
17	(539) Rent for floating equipment	-	-	
18	(540) Rent for work equipment	-	-	
19	(541) Joint facility rents	-	-	
20	Total rents payable	-	-	
21	Net rents (lines 13, 20)	-	-	
22	Net railway operating income (lines 6, 21)	-	-	
	Other Income			
23	(502) Revenues from miscellaneous operations (p. 53)	-	-	
24	(509) Income from lease of road and equipment (p. 88)	-	-	
25	(510) Miscellaneous rent income (p. 88)	-	-	
26	(511) Income from nonoperating property (p. 53)	-	-	
27	(512) Separately operated properties—Profit (p. 89)	-	-	
28	(513) Dividend income (from investments under cost only)	5,556	7,411	
29	(514) Interest income	2,131	4,484	
30	(516) Income from sinking and other reserve funds	-	-	
31	(517) Release of premiums on funded debt	-	-	
32	(518) Contributions from other companies	-	-	
33	(519) Miscellaneous income (p. 94)	671	685	
34	Dividend income (from investments under equity only) — (a1): 1974: 7,240; 1975: $ 28,847	x x x x	x x x x	x x x x
35	Undistributed earnings (losses) — 1974: 14,412; 1975: (6,192)	x x x x	x x x x	x x x x
36	Equity in earnings (losses) of affiliated companies (lines 34, 35)	22,655	21,652	x x x x
37	Total other income	31,013	34,232	
38	Total income (lines 22, 37)	31,013	34,232	
	Miscellaneous Deductions From Income			
39	(534) Expenses of miscellaneous operations (p. 53)	-	-	
40	(535) Taxes on miscellaneous operating property (p. 53)	-	-	
41	(543) Miscellaneous rents (p. 93)	-	-	
42	(544) Miscellaneous tax accruals (p. 53)	46	45	
43	(545) Separately operated properties—Loss (p. 89)	-	-	

300. INCOME ACCOUNT FOR THE YEAR—Continued

"proprietary" company for which no separate operating report is rendered, appropriate entries in column (d) should be made by road (C). If a leased road is assigned to another company for operation, the rent paid should be offset by the rent received. The examples indicated should not be taken to exclude others of a similar nature.

3. Returns for the year reported on lines 1 to 22, inclusive, should be analyzed in columns (e) to (k) in accordance with the Commission's rules governing the separation of operating expenses between freight and passenger service; railroads.

4. Any unusual accruals involving substantial amounts included in column (b) on lines 7 to 54, inclusive, should be fully explained in a footnote.

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

(Dollars in thousands)

6. Line 28 includes only dividends from investments accounted for under the cost method. Line 34 includes only dividends accounted for under the equity method. Line 35 includes the undistributed earnings from investments accounted for under the equity method. Line 36 represents the earnings (losses) of investee companies accounted for under the equity method.

RAIL-LINE, INCLUDING WATER TRANSFERS						Other items not related to either freight or to passenger and allied services (k)	Line No.
Related solely to freight service (e)	Apportioned to freight service (f)	Total freight service (g)	Related solely to passenger and allied services (h)	Apportioned to passenger and allied services (i)	Total passenger service (j)		
$	$	$	$	$	$	$	
							1
							2
x x x x x	x x x x x		x x x x x	x x x x x			3
							4
							5
x x x x x	x x x x x		x x x x x	x x x x x			6
							7
							8
							9
							10
							11
							12
x x x x x	x x x x x		x x x x x	x x x x x			13
							14
							15
							16
							17
							18
							19
x x x x x	x x x x x		x x x x x	x x x x x			20
x x x x x	x x x x x		x x x x x	x x x x x			21
x x x x x	x x x x x		x x x x x	x x x x x			22

If this report is made for a system, list hereunder the names of all companies included in the system returns:

300. INCOME ACCOUNT FOR THE YEAR—Concluded

Line No.	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Offsetting debits and credits for current year (d)
44	(549) Maintenance of investment organization	$ 2,725	$ 2,414	$
45	(550) Income transferred to other companies	-	-	
46	(551) Miscellaneous income charges (p. 94)	543	9,059	
47	Total miscellaneous deductions	3,314	11,518	
48	Income available for fixed charges (lines 38, 47)	27,699	22,714	
	Fixed Charges			
49	(542) Rent for leased roads and equipment (p. 92)	-	-	
	(546) Interest on funded debt:			
50	(a) Fixed interest not in default	5,229	6,342	
51	(b) Interest in default	-	-	
52	(547) Interest on unfunded debt	4,000	5,333	
53	(548) Amortization of discount on funded debt	71	168	
54	Total fixed charges	9,300	11,843	
55	Income after fixed charges (lines 48, 54)	18,399	10,871	
	Other Deductions			
	(546) Interest on funded debt:			
56	(c) Contingent interest			
57	Ordinary income (lines 55, 56)	18,399	10,871	
	EXTRAORDINARY AND PRIOR PERIOD ITEMS			
58	(570) Extraordinary items - Net Credit (Debit) (p. 94)			
59	(580) Prior period items - Net Credit (Debit) (p. 94)			
60	(590) Income taxes on extraordinary and prior period items - Debit (Credit) (p. 94)			
61	(591) Provision for deferred taxes - Extraordinary and prior period items (p. 87)			
62	Total extraordinary and prior period items - Credit (Debit)			
63	Net income transferred to Retained Income - Unappropriated (lines 57, 62)	18,399	10,871	

NOTE.—See page 19 for explanatory notes, which are an integral part of the Income Account for the Year

In accordance with Docket No. 34178 (Sub-No. 2), show below the effect of deferred taxes on prior years net income as reported in annual reports to the Commission. Debit amounts in columns (b) and (d), and credit amounts in column (c) should be indicated by parentheses.

(Dollars in thousands)

Year (a)	Net income as reported (b)	Provision for deferred taxes (c)	Adjusted net income (d)
1973	$	$ NONE	$
1972			
1971			

INCOME ACCOUNT FOR THE YEAR—EXPLANATORY NOTES

The space below is provided for the purpose of disclosing additional information concerning items of income for the current year. Each carrier shall give the particulars of items herein. Enter in separate notes with suitable explanation, amounts included in income accounts in connection with any unusual and material accrual or changeover in accounting practice, and other matters of the character commonly disclosed in financial statements under generally accepted accounting and reporting principles. Minor items which have no consequential effect on net income for the year need not be reported. If carrier has nothing to report, insert the word "None". The tax consequences of use of accelerated depreciation and tax guideline service lives, the investment tax credit, as well as other unusual and significant tax items and matters, are to be disclosed in Schedule 350, under Section C pertaining to analysis of Federal income taxes. The explanation of items included in accounts 570, "Extraordinary items"; 580, "Prior period items"; and 590, "Income taxes on extraordinary and prior period items" are to be disclosed in Schedule 396, page 94.

305. RETAINED INCOME - UNAPPROPRIATED

1. Show hereunder the items of the Retained Income 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 indicated in parentheses.
3. Indicate under "Remarks" the amount of assigned Federal income tax consequences, accounts 606 and 616.
4. Segregate in column (c) all amounts applicable to the equity in undistributed earnings (losses) of affiliated companies based on the equity method of accounting.
5. Line 2 (line 6 if debit balance), column (c), should agree with line 35, column (b), schedule 300. The total of columns (b) and (c), lines 2 and 6, should agree with line 63, column (b), schedule 300.
6. Include in column (b) only amounts applicable to retained income *exclusive* of any amounts included in column (c). *(Dollars in Thousands)*

Line No.	Item (a)	Retained income-Unappropriated (b)	Equity in undistributed earnings (losses) of affiliated companies (c)
1	Balances at beginning of year From January 1, 1972	$ 10,429	$ 25,980
	CREDITS		
2	(602) Credit balance transferred from income	24,591	-
3	(606) Other credits to retained income	-	-
4	(622) Appropriations released	-	-
5	Total	24,591	-
	DEBITS		
6	(612) Debit balance transferred from income	-	6,192
7	(616) Other debits to retained income	-	-
8	(620) Appropriations for sinking and other reserve funds	-	-
9	(621) Appropriations for other purposes	-	-
10	(623) Dividends (p. 20)	871	-
11	Total	871	-
12	Net increase (decrease) during year (Line 5 minus line 11)	23,720	(6,192)
13	Balances at close of year (Lines 1 and 12) From January 1, 1972	34,149	19,788
14	Balance from line 13 (c)	19,788	x x x x x
15	Total unappropriated retained income and equity in undistributed earnings (losses) of affiliated companies at end of year	53,937	x x x x x
	Remarks		
	Amount of assigned Federal income tax consequences:		
16	Account 606	-	x x x x x
17	Account 616	-	x x x x x

Note: See p. 94, schedule 396, for analysis for Retained Income Accounts.

308. DIVIDEND APPROPRIATIONS

1. Give particulars of each dividend declared. For par value or nonpar stock, show in column (d) the respective total par value or total number of shares on which dividend was declared and the corresponding rate percent or per share in column (b) or (c). If any such dividend was payable in anything other than cash, explain the matter fully in a footnote.
2. If an obligation of any character has been incurred for the purpose of procuring funds for the payment of any dividend or for the purpose of replenishing the treasury of the respondent after payment of any dividend, give full particulars in a footnote. If any class of stock received a return not reportable in this schedule, state the particulars of the case in a footnote.
3. The sum of the dividends stated in column (e) should equal the amount shown in schedule No. 305.
4. Report dollars in thousands.

Line No.	Name of security on which dividend was declared (a)	Rate percent (par value stock) or rate per share (nonpar stock) Regular (b)	Extra (c)	Total par value of stock or total number of shares of nonpar stock on which dividend was declared (d)	Dividends (account 623) (e)	DATES Declared (f)	Payable (g)
	Pennsylvania Co			$	$		
1	4 5/8% Cumulativ	4.625%	-	19,114	221	3/20/75	4/15/75
2	Preferred Stock	4.625%	-	18,840	218	5/15/75	7/15/75
3	Preferred Stock	4.625%	-	18,750	217	9/18/75	10/15/75
4	Preferred Stock	4.625%	-	18,585	215	11/20/75	1/15/76
5							
6							
7							
8							
9							
10							
11							
12							
13				Total	871		

309. STATEMENT OF CHANGES IN FINANCIAL POSITION

Give the information as requested concerning the source and application of funds during the year. Funds for the purpose of this schedule shall include all assets or financial resources even though a transaction may not directly affect cash or working capital. For example, the purchase of property in exchange for shares of stock or bonds would be an application of funds for investment in property provided by the issue of securities. Sources and uses of funds should be individually disclosed. For example, outlays for fixed assets should not be reported net of retirements.

Report dollars in thousands.

Line No.	Item (a)	Amount (b)	Amount (c)
		$	
	Sources of funds:		
1	Net income (page 18, line 57)	18,399	
	Add non-cash charges for:		
2	Depreciation and amortization	65	
3	Retirements of nondepreciable property		
4	Equity in undistributed earnings (losses) of affiliated companies	6,192	
	Add non-cash charges for additions (deduct for decreases) to reserves:		
5	Pension and welfare reserves	-	
6	Insurance reserves	-	
7	Casualty and other reserves	-	
8	Interest in default	-	
9	Provision for deferred income taxes	-	
10	Other important items (specify)		
11	—		
12	Funds provided by operations		$ 24,656
13	Proceeds from sale of capital stock of own issue		-
14	Proceeds from sale of funded debt and other obligations of own issue (except equipment obligations)		-
15	Proceeds from sale of equipment obligations of own issue		-
16	Book value of depreciable transportation property retired during year	-	
17	Less service value charged to accrued depreciation account	-	
18	Net book value of miscellaneous physical property disposed of during year		
19	Net book value of investment securities disposed of during year		18,320
20	Advances, notes and other debts repaid by affiliated companies		-
21	Advances, notes and other debts repaid by other companies		1,434
22	Net decrease in sinking and other reserve funds		
23	Net decrease in working capital (total current assets less total current liabilities)*		
24	Other sources (specify) Increase in capital surplus resulting from		
25	exchange of preferred stock for N&W Rwy. Co. common stock		516
26	Adj. to cap. surplus resulting frm. recpt. of liq. div. Pullman Co.		1,774
27	Excess of principal amt. over purchase price of long-term debt reacq.		171
28	Adj. to cap. surplus resulting frm. gain on sale of Montour RR		2,185
	Total Sources of Funds		49,056
	Application of funds:		
29	Investment in transportation property (excluding donations and grants)		
30	Investment in miscellaneous physical property		221
31	Investments and advances, affiliated ICC regulated carriers	-	
32	Investments and advances, other affiliated companies	14,101	14,101
33	Investments in nonaffiliated companies		-
34	Advances, notes and other debts repaid to other companies		-
35	Capital stock of own issue reacquired		1,034
36	Funded debt and other obligations paid or reacquired, (except equipment obligations)		2,432
37	Equipment obligations paid or reacquired		-
38	Net increase in sinking and other reserve funds		-
39	Payment of dividends (other than stock dividends)		871
40	Net increase in working capital*		30,396
41	Other applications (specify) None		-
42	Cash paid on conversion of preferred stock		1
43			-
44			-
45	Total application of funds (should be same as line 28)		49,056

* For the purpose of this schedule, account 764, Long-term Debt Due Within One Year, shall be classified as a current liability in the determination of working capital.

NOTES AND REMAKRS

201. ITEMS IN SELECTED CURRENT ASSET ACCOUNTS

Give brief description for each item or class of items of like description in accounts Nos. 702, "Temporary cash investments"; 704, "Loans and notes receiveable"; 709, "Accrued accounts receivable"; 711, "Prepayments"; and 713, "Other current assets," at the close of the year. Show description of the temporary cash investments, the names of depositaries for the special desposits, the character of loans and notes, with name of debtor (or class of debtors), dates of issue and maturity, and appropriate description for each class of accrued accounts receivable and for the other current assets. Show the three largest items in each account regardless of the dollar amount, and all other items (or the aggregate of a class of items of like description, amounting to less than $250,000 many be combined into a single entry designated "Other items, each less than $250,000". The entries for each account shall be listed and the account number and the total for each account shall be shown corresponding to the amounts in schedule 200. In case the character of any item is not fully disclosed by the entries in the columns hereunder, make a full explanation in a footnote.

Line No.	Account No. (a)	Item (b) (Dollars in Thousands)	Amount (c) $
1	703	SPECIAL DEPOSITS	
2		Other items, each less than $250,000	17
3			
4			
5	704	LOANS AND NOTES RECEIVABLE	
6		Other items each less than $250,000	313
7			
8			
9	711	PREPAYMENTS	
10		Other items each less than $250,000	90
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			

Schedule 202.-COMPENSATING BALANCES AND SHORT-TERM BORROWING ARRANGEMENTS

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 where not included elsewhere as part of compensating balances should be disclosed.
3. Compensating balance arrangements need only be disclosed for the latest fiscal year.
4. Compensating balances under an agreement which legally restricts the use of such funds should be included in Schedule 203, account 703, Special deposits.
5. Compensating balance arrangements are sufficiently material to require disclosure or segregation when the aggregate of written and oral agreement balances amount to 15 percent or more of liquid assets (current cash balanced, restricted and unrestricted plus marketable securities).
6. When a carrier is not in compliance with a compensating balance requirement that fact should be disclosed along with stated and possible sanctions whenever such possible sanctions may be immediate (not vague or unpredictable) and material.

NONE

Schedule 203.—SPECIAL DEPOSITS

Show separately each cash deposit of $10,000 or more reflected in account 703 at the close of the year. Items of less than $10,000 may be combined in a single entry and described as "Minor items less than $10,000." Report dollars in thousands.

Line No.	Purpose of deposit (a)	Balance at close of year (b)
		$
	Interest special deposits:	
1	Uncollected Matured Interest 5 1/4% Collateral Trust Bonds Due 1985	15
2		-
3		-
4		-
5		-
6	Total	15
	Dividend special deposits:	
7	NONE	-
8		-
9		-
10		-
11		-
12	Total	-
	Miscellaneous special deposits:	
13	Escrow fund for Conversion 9% Sinking Fund Debentures into	-
14	Norfolk & Western Common Stock	2
15		-
16		-
17		-
18	Total	2
	Compensating balances legally restricted:	
19	NONE	-
20		-
21		-
22		-
23		-
24	Total	-
	Grand Total	17

201. ITEMS IN SELECTED CURRENT ASSET ACCOUNTS

Give brief description for each item or class of items of like description in accounts Nos. 702, "Temporary cash investments"; 704, "Loans and notes receiveable"; 709, "Accrued accounts receivable"; 711, "Prepayments"; and 713, "Other current assets," at the close of the year. Show description of the temporary cash investments, the names of depositaries for the special desposits, the character of loans and notes, with name of debtor (or class of debtors), dates of issue and maturity, and appropriate description for each class of accrued accounts receivable and for the other current assets. Show the three largest items in each account regardless of the dollar amount, and all other items (or the aggregate of a class of items of like description, amounting to less than $250,000 many be combined into a single entry designated "Other items, each less than $250,000". The entries for each account shall be listed and the account number and the total for each account shall be shown corresponding to the amounts in schedule 200. In case the character of any item is not fully disclosed by the entries in the columns hereunder, make a full explanation in a footnote.

Line No.	Account No. (a)	Item (b) (Dollars in Thousands)	Amount (c)
			$
1	702	FNB Minneapolis Cert. Deposit due 6/7/76	1,000
2		General Motors Acceptance Corp. due 2/9/76	959
3		U.S. Treasury Bill due 5/4/76	473
4		Ingersoll Rand Corp. due 1/19/76	966
5		FNB Chicago Cert. Deposit due 2/3/76	1,000
6		U.S. Treasury Bill due 1/22/76	966
7		U.S. Treasury Bill due 1/29/76	966
8		U.S. Treasury Bill due 2/13/76	1,737
9		Harris Trust Cert. Deposit due 3/1/76	1,000
10		U.S. Treasury Bill due 1/15/76	1,265
11		Harris Trust Cert. Deposit due 3/1/76	800
12		FNB Chicago Cert. Deposit due 3/10/76	1,000
13		U.S. Treasury Bill due 3/11/76	1,931
14		FNB St. Paul Cert. Deposit due 3/31/76	1,000
15			
16		FNB St. Paul Cert. Deposit due 1/5/76	1,000
17		Pacific Gas & Electric Co. due 1/6/76	895
18		U.S. Steel Credit Corp. due 1/6/76	194
19		General Motors Acceptance Corp. due 1/22/76	992
20		Ford Motor Credit Corp. due 1/30/76	446
21		Ford Motor Credit Corp. due 1/14/76	249
22		U.S. Steel Credit Corp. due 1/9/76	100
23		U.S. Treasury Bill due 6/29/76	965
24		U.S. Treasury Bill due 8/24/76	957
25		U.S. Treasury Bill due 5/31/77	997
26		U.S. Treasury Bill due 6/17/76	970
27		General Electric Credit Corp. due 1/26/76	1,592
28		Commonwealth Edison Co. due 1/30/76	498
29		U.S. Treasury Bill due 6/24/76	2,921
30		U.S. Treasury Note due 12/31/76	3,034
31		U.S. Treasury Note due 5/31/77	3,010
32		U.S. Treasury Note due 2/15/77	3,057
33		U.S. Treasury Note due 10/31/76	3,012
34			39,952
35			
36			
37			

NOTES AND REMARKS

Schedule of Investments
Reflecting Reserve for Adjustment of Investments
(In Thousands of Dollars)

Name of Issuing Company and Description of Security Held	Account 723 - Reserve for Adjustment of Investments					
	Balance at Beginning of Year	Adjustment of the quasi-Reorganization Values Established at 12/31/71	Sales or Exchanges During the Year	Balance at Close of Year	Account 721 or 722 Investments at Close of Year 1975	Total Investments at Close of Year 1975
Account 721:						
Arvida Corporation - common stock	$ -	$ -	$ -	$ -	$52,047 **	$52,047
Buckeye Pipe Line Company - common stock	-	-	-	-	91,319 **	91,319
Clearfield Bituminous Coal Corporation - common stock	-	-	-	-	4,404 **	4,404
Great Southwest Corporation:						
Common stock	-	-	-	-	-	-
7% preferred stock - Series B	-	-	-	-	10,000	10,000
7.6% preferred stock - Series C	-	-	-	-		
3% preferred stock - Series F	-	-	-	-	-	-
The Pullman Company - common stock	3,312	-	-	3,312	3,312	-
Penn Towers, Inc. - common stock	-	-	-	-	-	-
Detroit, Toledo & Ironton RR Co. - common stock	-	-	-	-	17,909 **	17,909
The Connecting Railway Co. - capital stock	-	-	-	-	4,679 **	4,679
Montour Railroad Company - capital stock	5,620	-	(5,620)	-	-	-
Toledo, Peoria & Western RR Co. - common stock	2,875	-	-	2,875	5,575	2,700
The Philadelphia, Baltimore & Washington RR Co. - common stock	24,746	-	-	24,746	37,223	12,477
West Jersey & Seashore RR Co. - common stock	1,778	-	-	1,778	3,378	1,600
Pennrec Co. - common stock	-	-	-	-	488 **	488
Penn Arlington - common stock	-	-	-	-	1,594 **	1,594
Penn Houston, Inc. - common stock	-	-	-	-	173 **	173
Pennsylvania Railroad Company:						
General Mortgage Bonds - Series F - 3-1/8%	1,943	-	-	1,943	2,263	320
General Mortgage Bonds - Series G - 3%	599	-	-	599	722	123
General Mortgage Bonds - Series H - 4-1/4%	7,193	-	-	7,193	8,666	1,473
Pittsburgh, Cincinnati, Chicago & St. Louis RR Company-						
General Mortgage Bond - Series D - 5%	2,385	-	-	2,385	3,149	764
Lehigh Valley Railroad Company:						
General Consol. Mtg. - Series A 4%	377	-	-	377	414	37
General Consol. Mtg. - Series B 4-1/2%	73	-	-	73	83	10
General Consol. Mtg. - Series C 5%	37	-	-	37	41	4
Lehigh Valley Railway Company:						
Consol. Mtg. - 4-1/2%	19	-	-	19	22	3
1st Mtg. - 4-1/2%	789	-	-	789	958	169
Lehigh & Lake Erie RR Co. - 1st Mtg. - 4-1/2%	48	-	-	48	52	4
Lehigh Valley Terminal Ry. Co. - 1st Mtg. - 5%	186	-	-	186	230	44
Lehigh Valley Harbor Terminal Ry. Co. - 1st Mtg. - 5%	302	-	-	302	376	74
Great Southwest Corporation - Note	10,000	-	(10,000)	-	-	-
Penn Central Transportation Company - Note	49,000	-	-	49,000	49,000	-
Pennrec Co. Advance	-	-	-	-	5,540	5,540
Philadelphia, Baltimore & Washington RR Co. - Advance	33,174	-	-	33,174	33,174	-
Detroit, Toledo & Ironton RR Co. - Advance	583	-	-	583	1,750	1,167
American Contract Company - Advance	20,305	-	-	20,305	20,305	-
Total Account 721	$165,344	$ -	$(15,620)	$149,724	$358,846	$209,122

Account 722:						
Norfolk & Western Railway Company:						
Common stock	$(9,931)	$ -	$ 345	$(9,586)	$60,794	$70,380
Madison Square Garden Corporation - common stock	11,797	-	-	11,797	16,197	4,400
Strick, Inc.:						
Preferred stock - Series A	1,581	-	(395)	1,186	4,066	2,880
Warrants to purchase Class A stock	290	-	-	290	540	250
Wabash Railroad Company - preferred stock	(409)	-	-	(409)	861	1,270
Norfolk & Western Railway Company 15 year 4-5/8% debentures due: June 1 1985	(2,424)	-	-	(2,424)	5,111	7,535
Transport Pool Corporation - note	521	-	(140)	381	1,533	1,152
Total Account 722	1,425	-	(190)	1,235	89,102	87,867
Grand Total - All Investments	$166,769	$ -	$(15,810)	$150,959	$447,948	$296,989

** Includes undistributed earnings or losses.

GENERAL INSTRUCTIONS CONCERNING RETURNS IN SCHEDULES 205 AND 206

1. Schedules 205 and 206 should give particulars of stocks, bonds, other secured obligations, unsecured notes, and investment advances of affiliated and nonaffiliated companies held by respondent at close of year specifically as investments including obligations of the United States, of a State or local government, or of an individual, so held; investments made, disposed of, or written down during the year; and dividends and interest credited to income. They should exclude securities issued or assumed by respondent. For definition of affiliated companies, see the rules governing account No. 721, "Investments in affiliated companies," in the Uniform System of Accounts for Railroad Companies.

2. These investments should be subdivided to show the book value pledged, unpledged, and held in fund accounts. Under "pledged" include the book value of securities recorded in accounts Nos. 721, "Investments in affiliated companies," and 722 "Other investments," which are deposited with some pledgee or other trustee, or held subject to the lien of a chattel mortgage, or subject to any other restriction or condition which makes them unavailable for general corporate purposes. "Unpledged" should include all securities held by or for the respondent free from any lien or restriction, recorded in the accounts mentioned above. Under "In sinking, insurance, and other funds" include the book value of securities recorded in accounts Nos. 715, "Sinking funds"; 716, "Capital and other reserve funds"; and 717, "Insurance and other funds."

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

(A) Stocks:
- (1) Carriers—active.
- (2) Carriers—inactive.
- (3) Noncarriers—active.
- (4) Noncarriers—inactive.

(B) Bonds (including U. S. Government Bonds):
(C) Other secured obligations:
(D) Unsecured notes:
(E) Investment advances:

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

5. 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 to be 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.

6. By carriers, as the term is here used, 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 service 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.

7. 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 classed as noncarrier companies, even though the securities held by such companies are largely or entirely those issued or assumed by carriers.

8. 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.

9. Any balance in account 723, Reserve for adjustment of investment in securities - Credit, shall be disclosed by footnote to the securities against which such reserves were established.

10. **Show dollars in thousands.**

NOTES AND REMARKS

205. INVESTMENTS IN 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 and other reserve funds"; 721, "Investments in affiliated companies"; and 717, "Insurance and other funds."

2. Entries in this schedule should be made in accordance with the definitions and general instructions given on page 27, 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 19____ to 19____." In making entries in this column, abbreviations in common use in standard financial publications may be used where necessary on account of limited space.

Line No.	Account No (a)	Class No. (b)	Kind of industry (c)	Name of issuing company and description of security held; also lien reference if any (d)	Extent of control (e)	Investments at Close of Year — Book Value of Amount Held at Close of Year — Pledged (f)	Unpledged (g)
					%	$	$
1	721	A-3	VI	Arivda Corporation-Common	59.34	-	22,376
2		A-1	VII	Buckeye Pipe Line Company (X-1)	100.00	100,293	-
3		A-3	VII	Clearfield Bituminous Coal Corp.	100.00	-	14,530
4		A-1	VII	Connecting Railway Co.	73.81	-	15,856
5		A-1	VII	Detroit, Toledo & Ironton RR Co.	100.00	-	25,882
6		A-3	VI	Great Southwest Corp. - Common	93.80	-	106,723
7		A-3	VI	GSC - Preferred 'B' 7%	100.00	-	106
8		A-3	VI	GSC - Preferred 'C' 7.6%	100.00	-	109
9		A-3	VI	GSC - Preferred 'F' 3%	100.00	-	3,738
10		A-3	VI	GSC - Preferred 'A' 6%	100.00	-	-
11		A-1	VII	Montour Railroad Co.	50.00	-	-
12		A-3	X	Penn Towers, Inc.	100.00	-	-0-
13		A-1	VII	Philadelphia, Baltimore & Wash. RR	34.80	-	37,223
14		A-1	VII	Pullman Company	16.18	-	3,312
15		A-1	VII	Toledo, Peoria & Western RR Co.	50.00	-	5,575
16		A-1	VII	W. Jersey & Seashore RR Co.-Common	28.38	-	3,378
17		A-3	VI	Pennrec, Co.	100.00	-	750
18		A-3	VI	Penn Arlington, Inc.	100.00	-	2,075
19		A-3	VI	Penn Houston, Inc.	100.00	-	753
20				Total 721-A		100,293	242,386
21	721	B-1	VII	Lehigh & Lake Erie RR 1 Mtg.	3-1-94	-	52
22		B-1	VII	L.V. Term. Ry. Co. 1 Mtg.	10-1-79	-	230
23		B-1	VII	L.V. Harbor Term. Ry. Co. 1 Mtg.	2-1-84	-	376
24		B-1	VII	Lehigh Valley Ry. Co. 1 Mtg.	7-1-74		958
25		B-1	VII	Lehigh Valley Ry. Co. Consol. Mtg.	4-1-89	-	22
26		B-1	VII	Lehigh Valley Ry. Co. Gen Cons Mtg A	5-1-03	-	414
27		B-1	VII	Lehigh Valley Ry. Co. Gen Cons Mtg B	5-1-03	-	83
28		B-1	VII	Lehigh Valley Ry. Co. Gen Cons Mtg C	5-1-03	-	41
29		B-1	VII	Penn R.R. Co. Genl. Mtg. 'F'	1-1-85	-	2,263
30		B-1	VII	Penn R.R. Co. Genl. Mtg. 'G'	5-01-85	-	722
31		B-1	VII	Penn R.R. Co. Genl. Mtg. 'H'	4-1-86	-	8,666
32		B-1	VII	Pitt., Cinc., Clev. & St.Louis RR Co.	-	-	-
33		-	-	Genl. Mtg. 'D'	8-1-75	-	3,149
34				Total 721-B			16,976
35	721	D-3	VI	GSC - Demand notes			-
36		D-1	VII	Penn Central Trans. Co.-Note	11-30-94	-	49,000
37				Total 721-D			49,000
38	721	E-3	VI	American Contract Co.			20,305
39		E-1	VII	Detroit, Toledo & Ironton RR Co.			1,750
40		E-3	VI	Pennrec, Co.			5,540
41		E-1	VII	Phila., Balt. & Wash. RR Co.			33,174
42				Total 721-E			60,769
43				Grand Total 721		100,293	369,131
44							
45							
46				See lien reference page 32			

205. INVESTMENTS IN AFFILIATED COMPANIES—Continued

6. If any of the companies included in this schedule are controlled by respondent, the percent of control should be given 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. Particulars of investments made, disposed of, or written down during the year should be given in columns (j) to (l) inclusive. If the cost of any investment made during the year differs from the book value reported in column (j), explain the matter in a footnote. By "cost" is meant the consideration given minus accrued interest or dividends included therein. If the consideration given or received for such investments was other than cash, describe the transaction in a footnote. Identify all entries in column (k), which represent a reduction in the book value of securities by symbol and give full explanation in a footnote in each case.

9. This schedule should not include securities issued or assumed by respondent. *(Dollars in Thousands)*

INVESTMENTS AT CLOSE OF YEAR — Book Value of Amount Held at Close of Year: In sinking, insurance, and other funds (h)	INVESTMENTS AT CLOSE OF YEAR — Book Value of Amount Held at Close of Year: Total book value (i)	Book value of investments made during year (j)	INVESTMENTS DISPOSED OF OR WRITTEN DOWN DURING YEAR: Book value (k)	INVESTMENTS DISPOSED OF OR WRITTEN DOWN DURING YEAR: Selling price (l)	DIVIDENDS OR INTEREST DURING YEAR: Rate (m)	DIVIDENDS OR INTEREST DURING YEAR: Amount credited to income (n)	Line No.
$	$ 22,376	$ 329	$	$	%	$ -	1
	100,293	-			N/A	19,000	2
	14,530	-			N/A	8,500	3
	15,856	-				-	4
	25,882	-				-	5
	106,723	22,427					6
	106	-	407	-			7
	109	-	2,258	-			8
	3,738	3,738	-	-			9
	-	-	3,500	-			10
	-	-	6,385	2,950			11
	-	-					12
	37,223	-					13
	3,312	-					14
	5,575	-			N/A	90	15
	3,378	-			N/A	197	16
	750	-					17
	2,075	-			N/A	482	18
	753	753			N/A	865	19
	342,679	27,247	12,550			29,134	20
	52	-					21
	230	-					22
	376	-					23
	958	-					24
	22	-					25
	414	-					26
	83	-					27
	41	-					28
	2,263	-					29
	722	-					30
	8,666	-					31
	-	-					32
	3,149	-					33
	16,976	-		-			34
	-		10,000	-			35
	49,000						36
	49,000	-	10,000	2,950			37
	20,305	-					38
	1,750	-			6%	26	39
	5,540	2,375	-	-			40
	33,174	-	-				41
	60,769	2,375	-			26	42
	469,424 (Y)	29,622	22,550	2,950		29,160	43
							44
							45
	(Y) Does not include reserve for impairment in value (723) See p. 27-A-B						46

205. INVESTMENTS IN AFFILIATED COMPANIES—Continued

Line No.	Account No. (a)	Class No. (b)	Kind of industry (c)	Name of issuing company and description of security held; also lien reference, if any (d)	Extent of control (e)	INVESTMENTS AT CLOSE OF YEAR — Book Value of Amount Held at Close of Year — Pledged (f)	Unpledged (g)
					%	$	$
47							
48							
49							
50							
51							
52							
53							
54							
55							
56							
57							
58							
59							
60							
61							
62							
63							
64							
65							
66							
67							
68							
69							
70							
71							
72							
73							
74							
75							
76							
77							
78							
79							
80							
81							
82							
83							
84							
85							
86							
87							
88							
89							
90							
91							
92							
93							
94							
95							
96							
97							
98							
99							

205. INVESTMENTS IN AFFILIATED COMPANIES—Concluded

INVESTMENTS AT CLOSE OF YEAR — Book Value of Amount Held at Close of Year		Book value of investments made during year	INVESTMENTS DISPOSED OF OR WRITTEN DOWN DURING YEAR		DIVIDENDS OR INTEREST DURING YEAR		Line No.
In sinking, insurance, and other funds (h)	Total book value (i)	(j)	Book value (k)	Selling price (l)	Rate (m)	Amount credited to income (n)	
$	$	$	$	$	%	$	
							47
							48
							49
							50
							51
							52
							53
							54
							55
							56
							57
							58
							59
							60
							61
							62
							63
							64
							65
							66
							67
							68
							69
							70
							71
							72
							73
							74
							75
							76
							77
							78
							79
							80
							81
							82
							83
							84
							85
							86
							87
							88
							89
							90
							91
							92
							93
							94
							95
							96
							97
							98
							99

206. OTHER INVESTMENTS

1. Give particulars of investments in stocks, bonds, other secured obligations, unsecured notes, and investment advances of others than affiliated companies, included in accounts Nos. 715, "Sinking funds"; 716, "Capital and other reserve funds"; 722, "Other investments"; and 717, "Insurance and other funds." Investments included in accounts Nos. 715, 716 and 717 held by trustees in lieu of cash deposits required under the governing instrument are not to be reported.

2. Entries in this schedule should be made in accordance with the definitions and general instructions given on page 27, classifying the investments by means of letters, figures, and symbols in columns (a), (b), and (c). Investment in U. S. Treasury obligations may be reported as one item.

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 designa-

Line No.	Account No. (a)	Class No. (b)	Kind of industry (c)	Name of issuing company or government and description of security held; also lien reference, if any (d)	INVESTMENTS AT CLOSE OF YEAR — Book Value of Amount Held at Close of Year — Pledged (e)	Unpledged (f)
1	722	A-1	VII	Norfolk & Western Rwy. Co.-Common (X-2)	$ 58,654	$ 2,140
2		A-3	X	Madison Square Garden Corp.-Common	-	16,197
3		A-1	VII	Strick, Inc.-Warrants and stock	-	4,606
4		A-1	VII	Wabash Railroad Co.-Preferred stock	-	861
5				Total 722A	58,654	23,804
6	722	B-1	VII	Norfolk & Western Rwy. Co.-Debentures 6-1-85	-	5,111
7				Total 722B	-	5,111
8	722	C-3	VI	Hon Development-Note due 10/1/74	-	-
9		C-3	VI	Saratoga Development-Note due 9/15/74	-	-
10		C-3	VI	Saratoga Development-Note due 10/26/74	-	-
11		C-3	VI	Saratoga Development-Note due 9/15/75	-	-
12		C-3	VI	Saratoga Development-Note due 9/15/75	-	-
13				Total 722C	-	-
14	722	D-1	VII	Transport Pool Corp. Note	-	1,533
15				Total 722D	-	1,533
16				Grand Total All 722	58,654	30,448
17						
18						
19				Lien Reference 721 & 722	PRINCIPAL OUTSTANDING	
20			X-1	Under Pennsylvania Co. 8-1/4%		
21				Collateral trust bonds 6-1-89		
22				Chemical Bank trustee, Agmt. dtd. 6-1-69		(29,100)
23						
24			X-2	487,280 shares under Pennsylvania Co.		
25				5-1/4% Collateral trust bonds 6-1-85		
26				First Pennsylvania Bank & Trust Co.,		
27				trustee under agmt. dtd. 6-1-60		(12,182)
28						
29				272,560 shares under Pennsylvania Co.		
30				9% Sinking fund debentures, Bankers		
31				Trust, trustee, agmt. dtd. 12-1-69		(22,341)
32						
33				142,511 shares escrowed for conversion		
34				of Pennsylvania Co. preferred stock.		(18,585)
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						

206. OTHER INVESTMENTS—Continued

tion mature serially, the date in column (d) may be reported as "Serially 19 ____ to 19 ____." In making entries in this column, abbreviations in common use in standard financial publications may be used where necessary on account of limited space.

6. If any advances reported are pledged, give particulars in a footnote.

7. Particulars of investments made, disposed of, or written down during the year should be given in columns (i) and (k). If the cost of any investment made during the year differs from the book value reported in column (i), explain the matter in a footnote. By "cost" is meant the consideration given minus accrued interest or dividends included therein. If the consideration given or received for such investments was other than cash, describe the transaction in the footnote. Identify all entries in column (j) which represent a reduction in the book value of securities by symbol and give full explanation in a footnote in each case.

(Dollars in Thousands)

INVESTMENTS AT CLOSE OF YEAR — Book Value of Amount Held at Close of Year: In sinking, insurance, and other funds (g)	Total book value (h)	Book value of investments made during year (i)	INVESTMENTS DISPOSED OF OR WRITTEN DOWN DURING YEAR: Book value (j)	Selling price (k)	DIVIDENDS OR INTEREST DURING YEAR: Rate (l)	Amount credited to income (m)	Line No.
$	$	$	$	$	%	$	
-	60,794	-	17,210(A)	17,530	5.00	4,923	1
-	16,197	-	-	-	-	-	2
-	4,606	-	1,355	1,491	5.00	243	3
-	861	-	-	-	7%	103	4
	82,458		18,565	19,021		5,269	5
	5,111	-	-	-	4-5/8%	481	6
	5,111					481	7
-	-	-(B-1)	35	35			8
-	-	-(B-2)	481	481			9
-	-	-(B-3)	23	23			10
-	-	-(B-4)	182	182	7%	22	11
-	-	-(B-5)	14	14	7%	1	12
-		-	735	735		23	13
-	1,533	-	564	564	Prime	162	14
	1,533		564	564		162	15
-	89,102(Y)		19,864	20,320		5,395	16

(A) On 7968 shares used in conversion for Pennsylvania Company Preferred Stock or 9% Sinking Fund Debentures and Open Market Sales of 256,800 shares of Norfolk and Western Stock.

(B) Discounted notes - includes amortization credited to income as follows:

(B-1)	-
(B-2)	-
(B-3)	-
(B-4)	17
(B-5)	-

(Y) Does not include reserve for impairment in value of these investments. See page 27-A-B

206. OTHER INVESTMENTS—Continued

Line No.	Account No. (a)	Class No. (b)	Kind of indus-try (c)	Name of issuing company or government and description of security held; also lien reference, if any (d)	INVESTMENTS AT CLOSE OF YEAR Book Value of Amount at Close of Year Pledged (e)	Unpledged (f)
					$	$
47						
48						
49						
50						
51						
52						
53						
54						
55						
56						
57						
58						
59						
60						
61						
62						
63						
64						
65						
66						
67						
68						
69						
70						
71						
72						
73						
74						
75						
76						
77						
78						
79						
80						
81						
82						
83						
84						
85						
86						
87						
88						
89						
90						
91						
92						
93						
94						
95						
96						
97						
98						
99						

206. OTHER INVESTMENTS—Concluded

INVESTMENTS AT CLOSE OF YEAR — Book Value of Amount Held at Close of Year		Book value of investments made during year (i)	INVESTMENTS DISPOSED OF OR WRITTEN DOWN DURING YEAR		DIVIDENDS OR INTEREST DURING YEAR		Line No.
In sinking, insurance, and other funds (g)	Total book value (h)		Book value (j)	Selling price (k)	Rate (l)	Amount credited to income (m)	
$	$	$	$	$	%	$	
							47
							48
							49
							50
							51
							52
							53
							54
							55
							56
							57
							58
							59
							60
							61
							62
							63
							64
							65
							66
							67
							68
							69
							70
							71
							72
							73
							74
							75
							76
							77
							78
							79
							80
							81
							82
							83
							84
							85
							86
							87
							88
							89
							90
							91
							92
							93
							94
							95
							96
							97
							98
							99

207. INVESTMENTS IN COMMON STOCKS OF AFFILIATED COMPANIES

Undistributed Earnings From Certain Investments in Affiliated Companies

1. Report below the details of all investments in common stocks included in Account 721, Investments in Affiliated Companies, which qualify for the equity method under instruction 6-2 in the Uniform System of Accounts for Railroad Companies.

2. Enter in column (c) the amount necessary to retroactively adjust those investments qualifying for the equity method of accounting in accordance with instruction 6-2 (b)(1) of the Uniform System of Accounts for Railroad Companies.

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. See instruction 6-2 (b)(4).

5. The total of column (g) must agree with column (b), line 21, schedule 200.

6. For definitions of "carrier" and "noncarrier," see general instructions 6 and 7 on page 27.

(DOLLARS IN THOUSANDS)

Line No.	Name of issuing company and description of security held. (a)	Balance at beginning of year (b)	Adjustment for investments qualifying for 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)
	Carriers: (List specifics for each company)						
1	Buckeye Pipeline Company	$ (10,340)	$ -	$ 1,356	$ -	$ -	$ (8,974)
2	Detroit, Toledo & Ironton Railroad Company	(7,973)	-	-	-	-	(7,973)
3	Connecting Railway Company	(11,177)	-	-	-	-	(11,177)
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							

Road Initials:

Year:

207. INVESTMENTS IN COMMON STOCKS OF AFFILIATED COMPANIES (Continued)

Undistributed Earnings From Certain Investments in Affiliated Companies

Line No.	Name of issuing company and description of security held (a)	Balance at beginning of year (b)	Adjustment for investments qualifying for 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)
	Carriers: (List specifics for each company).	$	$	$	$	$	$
29							
30							
31							
32							
33							
34							
35							
36							
37							
38							
39							
40							
41							
42							
43							
44							
45							
46							
47							
48							
49							
50							
51							
52							
53							
54							
55							
56							
57							
58							
59	Total	(29,490)		1,366	-0-		(28,124)
60	Noncarriers: (Show totals only for each column)	(64,854)		(7,635)	77	(42)	(72,454)
61	Total (lines 59 and 60)	(94,344)		(6,269)	77	(42)	(100,578)

209. SECURITIES, ADVANCES, AND OTHER INTANGIBLES OWNED OR CONTROLLED THROUGH NONREPORTING CARRIER AND NONCARRIER SUBSIDIARIES

1. Give particulars of investments represented by securities and advances (including securities issued or assumed by respondent), and of other intangible property, indirectly owned or controlled by respondent through any subsidiary which does not report to the Commission under the provisions of Part I of the Interstate Commerce Act, without regard to any question of whether the company issuing the securities, or the obligor, is controlled by the subsidiary.

Line No.	Class No. (a)	Name of issuing company and security or other intangible thing in which investment is made (b)	Total book value of investments at close of year (c)	Book value of investments made during year (d)
			$	$
1	A-1	Cambria & Indiana Railroad Co.	-	-
2		Ft. Wayne & Jackson Railroad Co. Common	1	-
3		Ft. Wayne & Jackson Railroad Company Pfd.	41	-
4		Mahoning Coal Company-RR	90	-
5		Total A-1	132	
6	A-3	Arvida Management Co.	5	-
7		Arvida Investment Co.	50	-
8		Arvida of Georgia, Inc.	5	-
9		Arvida Mortgage Co.	50	-
10		Arvida Realty Sales, Inc.	5	-
11		Frank E. Morgan Co.	72	-
12		51st Street Realty Corp.	3	-
13		Total A-3	190	-
14		Total A	322	-
15	B-1	Boston & Albany RR Improvement 4-1/4%	160	-
16		Carthage & Adirondack Rwy. Co. 1st Mtg.4%	43	-
17		CCC & St. Louis Rwy. Co.-(C.M.&W Div) 4%	19	-
18		CCC & St. Louis Rwy. Co.-Gen Mtg.-4%	40	-
19		CCC & St. Louis Rwy. Co.-(St. Louis Div)4%	82	-
20		CCC & St. Louis Rwy. Co.-R&I Mtg. 4-1/2%	45	-
21		Mohawk & Malone Rwy.Cons. Mtg.-3-1/2%	159	-
22		N.Y.C. Coll. Trust 1/1/80 - 5-3/4%	11	-
23		N.Y.C. Coll. Trust 4/15/90 - 6%	620	
24				
25		(Continued next page)		

NOTES AND REMARKS

209. SECURITIES, ADVANCES, AND OTHER INTANGIBLES OWNED OR CONTROLLED THROUGH NONREPORTING CARRIER AND NONCARRIER SUBSIDIARIES—Continued

2. This schedule should include all securities, open account advances, and other intangible property owned or controlled by nonreporting companies shown in schedules 104A, 104B, and 205, as well as those owned or controlled by any other organization or individual whose action respondent is able to determine.

3. Investments in U.S. Treasury obligations may be combined in a single item.

4. Column (a), Class No., should show classifications as provided in instructions 3 and 4, page 27.

(Dollars in thousands)

INVESTMENTS DISPOSED OF OR WRITTEN DOWN DURING YEAR		Names of subsidiaries in connection with things owned or controlled through them	Line No.
Book value (e)	Selling price (f)	(g)	
$ 1,350	$ 2,950	Clearfield Bituminous Coal Corp.	1
-	-	Clearfield Bituminous Coal Corp.	2
-	-	Clearfield Bituminous Coal Corp.	3
-	-	Clearfield Bituminous Coal Corp.	4
1,350	2,950		5
		Arvida Corporation	6
-	-	Arvida Corporation	7
-	-	Arvida Corporation	8
-	-	Arvida Corporation	9
		Arvida Corporation	10
-	-	Arvida Corporation	11
-	-	Clearfield Bituminous Coal Corp.	12
-	-		13
-	-		14
-	-	Clearfield Bituminous Coal Corp.	15
-	-	Clearfield Bituminous Coal Corp.	16
-	-	Clearfield Bituminous Coal Corp.	17
-	-	Clearfield Bituminous Coal Corp.	18
-	-	Clearfield Bituminous Coal Corp.	19
-	-	Clearfield Bituminous Coal Corp.	20
-	-	Clearfield Bituminous Coal Corp.	21
-	-	Clearfield Bituminous Coal Corp.	22
-	-	Clearfield Bituminous Coal Corp.	23
-	-		24
-	-		25

NOTES AND REMARKS

209. SECURITIES, ADVANCES, AND OTHER INTANGIBLES OWNED OR CONTROLLED THROUGH NONREPORTING CARRIER AND NONCARRIER SUBSIDIARIES

1. Give particulars of investments represented by securities and advances (including securities issued or assumed by respondent), and of other intangible property, indirectly owned or controlled by respondent through any subsidiary which does not report to the Commission under the provisions of Part 1 of the Interstate Commerce Act, without regard to any question of whether the company issuing the securities, or the obligor, is controlled by the subsidiary.

Line No.	Class No. (a)	Name of issuing company and security or other intangible thing in which investment is made (b)	Total book value of investments at close of year (c)	Book value of investments made during year (d)
			$	$
1	B-1	N.Y. Harlem R.R. 4% Ser. A	36	-
2		N.Y. Harlem R.R. 4% Ser. B	1,212	-
3		N.Y. Harlem R.R. 3-1/2% Gold	678	-
4		St. Lawrence & Adirondack Ry. - 2nd Mtg.6%	3	-
5		Total B-1	3,108	-
6	B-3	U.S. Treasury Obligations - 5-3/4%	10	-
7		Total B	3,118	-
8				
9				
10				
11	C-3	Various Mtgs. & Notes Rec.-R.E. Sales	29,982	-
12		Chem. Bk. N.Y. Tru. Co. CSR 6-1/4%	282	-
13		Total C-3	30,264	-
14				
15	D-3	Notes - R.E. Sales	108	38
16		Short term securities (U.S. Treasury Obligations)	2,643	
17		Trailer Train Co.	279	-
18		Total D-3	3,030	38
19				
20				
21				
22				
23				
24		continued		
25				

NOTES AND REMARKS

209. SECURITIES, ADVANCES, AND OTHER INTANGIBLES OWNED OR CONTROLLED THROUGH NONREPORTING CARRIER AND NONCARRIER SUBSIDIARIES—Continued

2. This schedule should include all securities, open account advances, and other intangible property owned or controlled by nonreporting companies shown in schedules 104A, 104B, and 205, as well as those owned or controlled by any other organization or individual whose action respondent is able to determine.

3. Investments in U.S. Treasury obligations may be combined in a single item.

4. Column (a), Class No., should show classifications as provided in instructions 3 and 4, page 27.

(Dollars in thousands)

Investments disposed of or written down during year: Book value (e)	Selling price (f)	Names of subsidiaries in connection with things owned or controlled through them (g)	Line No.
$ -	$ -	Clearfield Bituminous Coal Corp.	1
-	-	Clearfield Bituminous Coal Corp.	2
-	-	Clearfield Bituminous Coal Corp.	3
-	-	Clearfield Bituminous Coal Corp.	4
			5
-	-	Clearfield Bituminous Coal Corp.	6
			7
			8
			9
			10
5,989	-	Arvida Corporation	11
25	-	Clearfield Bituminous Coal Corp.	12
6,014			13
			14
-	-	Arvida Corporation	15
350	-	Clearfield Bituminous Coal Corporation	16
-	-	Clearfield Bituminous Coal Corporation	17
350			18
			19
			20
			21
		(continued)	22
			23
			24
			25

NOTES AND REMARKS

209. SECURITIES, ADVANCES, AND OTHER INTANGIBLES OWNED OR CONTROLLED THROUGH NONREPORTING CARRIER AND NONCARRIER SUBSIDIARIES

1. Give particulars of investments represented by securities and advances (including securities issued or assumed by respondent), and of other intangible property, indirectly owned or controlled by respondent through any subsidiary which does not report to the Commission under the provisions of Part I of the Interstate Commerce Act, without regard to any question of whether the company issuing the securities, or the obligor, is controlled by the subsidiary.

Line No.	Class No. (a)	Name of issuing company and security or other intangible thing in which investment is made (b)	Total book value of investments at close of year (c)	Book value of investments made during year (d)
			$	$
1	E-1	Penn Central Transportation Co.	5,129	-
2				
3	E-3	Arvida Mortgage Co.	2,765	-
4		Arvida Investment Co.	-	-
5		Arvida Realty Sales Inc.	102	-
6		Frank B. Morgan & Co.	185	21
7		Total E-3	3,052	21
8		Total E	8,181	21
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				

NOTES AND REMARKS

209. SECURITIES, ADVANCES, AND OTHER INTANGIBLES OWNED OR CONTROLLED THROUGH NONREPORTING CARRIER AND NONCARRIER SUBSIDIARIES—Continued

2. This schedule should include all securities, open account advances, and other intangible property owned or controlled by nonreporting companies shown in schedules 104A, 104B, and 205, as well as those owned or controlled by any other organization or individual whose action respondent is able to determine.

3. Investments in U.S. Treasury obligations may be combined in a single item.

4. Column (a), Class No., should show classifications as provided in instructions 3 and 4, page 27.

(Dollars in thousands)

Investments disposed of or written down during year: Book value (e)	Investments disposed of or written down during year: Selling price (f)	Names of subsidiaries in connection with things owned or controlled through them (g)	Line No.
$ -	$ -	Clearfield Bituminous Coal Corporation	1
			2
462		Arvida Corporation	3
175		Arvida Corporation	4
34		Arvida Corporation	5
		Arvida Corporation	6
671			7
671			8
			9
			10
			11
			12
			13
			14
			15
			16
			17
			18
			19
			20
			21
			22
			23
			24
			25

NOTES AND REMARKS

211. ROAD AND EQUIPMENT PROPERTY (See Instructions page 40)

Line No	Account (Dollars in thousands) (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)
1	(1) Engineering	$ NONE	$	$
2	(2) Land for transportation purposes			
3	(2 1/2) Other right-of-way expenditures			
4	(3) Grading			
5	(5) Tunnels and subways			
6	(6) Bridges, trestles, and culverts			
7	(7) Elevated structures			
8	(8) Ties			
9	(9) Rails			
10	(10) Other track material			
11	(11) Ballast			
12	(12) Track laying and surfacing			
13	(13) Fences, snowsheds, and signs			
14	(16) Station and office buildings			
15	(17) Roadway buildings			
16	(18) Water stations			
17	(19) Fuel stations			
18	(20) Shops and enginehouses			
19	(21) Grain elevators			
20	(22) Storage warehouses			
21	(23) Wharves and docks			
22	(24) Coal and ore wharves			
23	(25) TOFC/COFC terminals			
24	(26) Communication systems			
25	(27) Signals and interlockers			
26	(29) Power plants			
27	(31) Power-transmission systems			
28	(35) Miscellaneous structures			
29	(37) Roadway machines			
30	(38) Roadway small tools			
31	(39) Public improvements—Construction			
32	(43) Other expenditures—Road			
33	(44) Shop machinery			
34	(45) Power-plant machinery			
35	Other (specify and explain) See note p. 40	0	-	-
36	Total expenditures for road	0	-	-
37	(52) Locomotives			
38	(53) Freight-train cars			
39	(54) Passenger-train cars			
40	(55) Highway revenue equipment			
41	(56) Floating equipment			
42	(57) Work equipment			
43	(58) Miscellaneous equipment			
44	Total expenditures for equipment			
45	(71) Organization expenses			
46	(76) Interest during construction			
47	(77) Other expenditures—General			
48	Total general expenditures			
49	Total			
50	(80) Other elements of investment (p. 33)			
51	(90) Construction work in progress			
52	Grand Total	0	-	-

211. ROAD AND EQUIPMENT PROPERTY (See Instructions page 40)

Expenditures for additions and betterments during the year: Made on owned property (e)	Expenditures for additions and betterments during the year: Made on leased property (f)	Credits for property retired during the year: Owned property (g)	Credits for property retired during the year: Leased property (h)	Net changes during the year (i)	Balance at close of year (j)	Line No.
$	$	$	$	$	$	1
						2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
						17
						18
						19
						20
						21
						22
						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
-	221	-	-	-	221	35
-	221	-	-	-	221	36
						37
						38
						39
						40
						41
						42
						43
						44
						45
						46
						47
						48
						49
						50
						51
-	221	-	-	-	221	52

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 211 ON PAGES 38 and 39

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 (*h*), inclusive. Column (*j*) is the aggregate of columns (*b*) to (*h*), inclusive. Grand totals of columns (*b*) and (*j*) 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 (*f*), should be included all entries covering expenditures for additions and betterments, as defined, whether replacing other property or not.

5. In column (*f*) show particulars for improvements made on property held under lease or other form of long-term contract and not charged to the owning company.

6. In columns (*g*) and (*h*) should be entered all credits representing property sold, abandoned, or otherwise retired.

7. 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.

8. 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.

9. Report on line 35 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.

10. 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.

11. If an amount of less than $1,500 is used as the minimum debit or credit 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.

12. Show dollars in thousands.

NOTES AND REMARKS

Amounts on line 35, Schedule 211, are fixed assets and leasehold improvements relative to the establishment in 1975 of corporate offices at 1616 North Fort Myer Drive, Arlington, Virginia.

211B. DEPRECIATION BASE AND RATES—ROAD AND EQUIPMENT OWNED AND USED AND LEASED FROM OTHERS

1. Show in columns (b) and (e), for each primary account, the depreciation base used in computing the depreciation charges for the month of January and in columns (c) and (f) show the depreciation base used in computing 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 29 and 37 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 therefor are included in the rent for equipment accounts Nos. 536 to 540, inclusive. 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. 503 to 507, 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.

2. 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.

3. Show in columns (e), (f), and (g), data applicable to property, used but not owned, when the rent therefor is included in account 542. Report data applicable to improvements to such property, the cost of which is included in account 732, in columns (b), (c) and (d).

4. If the depreciation base for accounts 1, 2-1/2, 3, 5, and 39 includes nondepreciable property, a statement to that effect should be made in a footnote.

5. 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.

Line No.	Account (a) (Dollars in thousands)	OWNED AND USED: Depreciation Base: At beginning of year (b)	At close of year (c)	Annual composite rate (percent) (d)	LEASED FROM OTHERS: Depreciation base: At beginning of year (e)	At close of year (f)	Annual composite rate (percent) (g)
		$	$	%	$	$	%
	ROAD						
1	(1) Engineering						
2	(2-1/2) Other right-of-way expenditures						
3	(3) Grading						
4	(5) Tunnels and subways						
5	(6) Bridges, trestles, and culverts						
6	(7) Elevated structures						
7	(13) Fences, snowsheds, and signs						
8	(16) Station and office buildings						
9	(17) Roadway buildings						
10	(18) Water stations						
11	(19) Fuel stations						
12	(20) Shops and enginehouses						
13	(21) Grain elevators						
14	(22) Storage warehouses						
15	(23) Wharves and docks						
16	(24) Coal and ore wharves						
17	(25) TOFC/COFC terminals						
18	(26) Communications systems						
19	(27) Signals and interlockers						
20	(29) Power plants						
21	(31) Power transmission systems						
22	(35) Miscellaneous structures						
23	(37) Roadway machines						
24	(39) Public improvements—Construction						
25	(44) Shop machinery						
26	(45) Power plant machinery						
27	All other road accounts				200	200	10%
28	Amortization (other than defense projects)						
29	Total road				200	200	10%
	EQUIPMENT						
30	(52) Locomotives						
31	(53) Freight-train cars						
32	(54) Passenger-train cars						
33	(55) Highway revenue equipment						
34	(56) Floating equipment						
35	(57) Work equipment						
36	(58) Miscellaneous equipment						
37	Total equipment						
38	GRAND TOTAL			XX XX	200	200	XX XX

211E. DEPRECIATION RESERVE—ROAD AND EQUIPMENT LEASED FROM OTHERS

1. Give full particulars called for hereunder with respect to credits and debits to accounts No. 733, Accrued Depreciation; Improvements on Leased Property, and No. 785, "Accrued liability—Leased property," during the year relating to road and equipment leased from others, the depreciation charges for which are includible in operating expenses of the respondent.

2. Show in column (c) amounts which were charged to operating expenses, and in column (f) show payments made to the lessor in settlement thereof. A full explanation should be given of all entries in columns (d) and (f).

3. Any inconsistency between the credits to the reserve as shown in column (c) and the charges to operating expenses should be fully explained.

4. Show in column (e) the debits to the reserve arising from retirements.

5. If settlement for depreciation is made currently between lessee and lessor, and no debits or credits to account No. 785 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.

(Dollars in thousands)

Line No.	Account (a)	Balance at beginning of year (b)	CREDITS TO RESERVE During the Year: Charges to operating expenses (c)	CREDITS TO RESERVE During the Year: Other credits (d)	DEBITS TO RESERVE During the year: Retirements (e)	DEBITS TO RESERVE During the year: Other debits (f)	Balance at close of year (g)
		$	$	$	$	$	$
	ROAD						
1	(1) Engineering						
2	(2-1/2) Other right-of-way expenditures						
3	(3) Grading						
4	(5) Tunnels and subways						
5	(6) Bridges, trestles, and culverts						
6	(7) Elevated structures						
7	(13) Fences, snow sheds, and signs						
8	(16) Station and office buildings						
9	(17) Roadway buildings						
10	(18) Water stations						
11	(19) Fuel stations						
12	(20) Shops and enginehouses						
13	(21) Grain elevators						
14	(22) Storage warehouses						
15	(23) Wharves and docks						
16	(24) Coal and ore wharves						
17	(25) TOFC/COFC terminals						
18	(26) Communication systems						
19	(27) Signals and interlockers						
20	(29) Power plants						
21	(31) Power-transmission systems						
22	(35) Miscellaneous structures						
23	(37) Roadway machines						
24	(39) Public improvements—Construction						
25	(44) Shop Machinery*						
26	(45) Power-plant machinery*						
27	All other road accounts	-0-	10*	-	-	-	10
28	Total road	-	10	-	-	-	10
	EQUIPMENT						
29	(52) Locomotives						
30	(53) Freight-train cars						
31	(54) Passenger-train cars						
32	(55) Highway revenue equipment						
33	(56) Floating equipment						
34	(57) Work equipment						
35	(58) Miscellaneous equipment						
36	Total equipment	-	-	-	-	-	-
37	**GRAND TOTAL**	-	10	-	-	-	10

*Chargeable to account 305.

*Depreciation on leasehold improvements, and other fixed assets in corporate office at 1616 North Fort Myer Drive, Arlington, Virginia 22209.

216. OTHER ASSETS AND DEFERRED CHARGES

Give description and particulars for each item or class of items of like description in accounts Nos. 741, "Other assets," and 743, "Other deferred charges," at the close of the year. Show debtor (or class of debtors) for deferred assets and appropriate description for items or class of items of deferred charges. Show the three largest items regardless of the dollar amount and all other items (or the aggregate of a class of items of like description) amounting to $250,000 or more. Each item or class of items of like description amounting to less than $250,000 may be combined into a single entry designated "Other items, each less than $250,000". The entries for each account shall be listed and the account number and the total for each account shall be shown corresponding to the amounts in Schedule 200. In case the character of any item is not fully disclosed by the entries in the columns hereunder, make a full explanation in a footnote.

(Dollars in thousands)

Line No.	Account No. (a)	Item (b)	Amount (c)
			$
1	741	NONE	-
2	793	NONE	-
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41			
42			
43			
44			
45			

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 218 ON PAGES 56, 57, 58 AND 59

Give particulars of the various issues of securities in accounts Nos. 765, "Funded debt unmatured," 768, "Debt in default," 767, "Receivers' and trustees' securities," 766, "Equipment obligations," and 764, "Equipment obligations and other debt due within 1 year," at the close of the year, together with interest accrued and interest paid during the year and total amount of matured interest in default. Include receipts outstanding for funded debt with their respective issues. List entries under captions of account numbers and titles, and insert total for each account.

In column (*a*) show the symbol and name, and account number of each bond or other obligation according to the following designations in the numerical order given, and give a total for each such numerical alphabetical and each numerical group and for each account:

(1) MORTGAGE BONDS:
- (*a*) With fixed interest.
- (*b*) With contingent interest.

(2) COLLATERAL TRUST BONDS:
- (*a*) With fixed interest.
- (*b*) With contingent interest.

(3) UNSECURED BONDS (Debentures):
- (*a*) With fixed interest.
- (*b*) With contingent interest.

(4) EQUIPMENT OBLIGATIONS:
- (*a*) Equipment securities (Corporation).
- (*b*) Equipment securities (Receivers' and Trustees').
- (*c*) Conditional or deferred payment contracts.

(5) MISCELLANEOUS OBLIGATIONS.

(6) RECEIVERS' AND TRUSTEES' SECURITIES (Other than equipment obligations).

(7) SHORT-TERM NOTES IN DEFAULT.

Columns (*f*), (*g*), (*h*), (*i*), and (*j*) are intended further to classify the obligations of the company and are to be answered "yes" or "no."

If an issue is a serial issue, the last date of maturity should be shown in column (*c*) preceded by the letter "S." If the payments required in the contracts for equipment obligations are unequal in amount (except for the last payment) or are to be made at irregular intervals, show a symbol against the entry made in column (*c*) opposite the name of such obligations and give particulars in a footnote.

If the issue is an income bond, the entry in column (*d*) should be the annual maximum rate of interest specified by the indenture. In column (*k*) show the approximate number of miles of road on which the mortgage is a direct first lien and in column (*l*) the approximate number of miles of road on which the mortgage is a direct junior lien. Do not consider any road or other property indirectly subject to either a first or junior lien through the pledge of collateral, leaseholds, or other contractual rights in making the returns required in columns (*i*), (*j*), (*k*), and (*l*).

In column (*m*) enter the amount of debt both nominally and actually issued up to the date of the report and not the amount authorized. In the event debt is assumed, column (*m*) should include the amount of debt issued by the original debtor.

No entries shall be made in this schedule with respect to issues of matured obligations nominally issued or nominally outstanding when no parts of such issues are actually outstanding.

For definitions of "nominally issued," "nominally outstanding," "actually issued," and "actually outstanding," see schedule 228.

Entries in columns (*v*) and (*w*) should include interest accrued on funded debt reacquired, matured during the year, even though no portion of the issue is outstanding at the close of the year.

In column (*y*) enter the total in account No. 781, "Interest in default," at the close of the year.

The grand totals of columns (*n*) and (*r*), when combined, should equal the sum of the amounts stated in short column (a_2) for accounts Nos. 764, 765, 766, 767, and 768 in schedule 200, "Comparative General Balance Sheet—Liabilities and Shareholders' Equity."

On page 59 give particulars of changes during the year in funded debt and other obligations. In column (*z*), state whether issued for construction of new properties, for additions and betterments, for purchase of railroad or other property, for conversion, for acquisition of securities, for reorganization, or for other corporate purposes. Also, give the number and date of authorization by the public authority under whose control such issue was made, naming such authority. For nominally issued securities, show returns in columns (*z*) and (*aa*) only.

For each class of securities actually issued or assumed, the sum of the entries in columns (*bb*) and (*cc*), plus discounts or less premiums, such discounts or premiums to be shown in a footnote applicable to each issue, should equal the entry in column (*aa*). For definition of expense, reportable in column (*cc*), see Definition 10 in the Uniform System of Accounts for Railroad Companies.

Particulars concerning the reacquirement of securities that were actually outstanding should be reported on pages 58 and 59 columns (*a*), (*dd*), and (*ee*). Include those securities that have been called for payment during the year for which liability has been transferred to account No. 763, "Other current liabilities."

Show dollars in thousands.

NOTES AND REMARKS

218. FUNDED DEBT AND OTHER OBLIGATIONS *(Dollars in thousands)*

Line No.	Name and character of obligation	Nominal date of issue	Date of maturity	INTEREST PROVISIONS		DOES OBLIGATION PROVIDE FOR— (Answer "Yes" or "No")			IS OTHER PROPERTY (REAL OR PERSONAL OR LEASEHOLD) SUBJECT TO LIEN OF THE OBLIGATION? (Answer "Yes" or "No")		APPROXIMATE NUMBER OF MILES OF LINE DIRECTLY SUBJECT TO—	
				Rate percent per annum (current year)	Dates due	Conversion	Call prior to maturity, other than for sinking fund	Sinking fund	First lien	Junior to first lien	First lien	Junior to first lien
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	2A Collateral Trust	5-1-50	5-1-75	4.50%	5/1	No	Yes	No	Yes	No	None	None
2	Serial Bonds											
3												
4	2A Collateral Trust	6-1-60	6-1-85	5.25%	6/1-	No	Yes	Yes	Yes	No	None	None
5	Bond				12/1							
6												
7	2A Collateral Trust	6-1-69	6-1-89	8.25%	6/1-	No	Yes	Yes	Yes	No	None	None
8	Bonds				12/1							
9												
10	3A Sinking Fund	12-1-69	12-1-94	9.00%	6/1-	Yes	Yes	Yes	Yes	No	None	None
11	Debentures				12/1							
12												
13												
14												
15												
16												
17												
18												
19												
20												
21												
22												
23												
24												
25												
26												
27												
28												
29												
30												
31												
32												
33												
34												
35												
36												
37												
38												
39												
40												
41												
42												
43												
44												
45												
46												
47												
48												
49												
50												
51								Grand Total	x x x	x x x	x x x	x x x

218. FUNDED DEBT AND OTHER OBLIGATIONS—Continued

Total amount nominally and actually issued (m)	AMOUNT NOMINALLY ISSUED AND—		Total amount actually issued (p)	AMOUNT REACQUIRED AND—		TOTAL AMOUNT ACTUALLY OUTSTANDING			Line No.
	Held in special funds or in treasury or pledged (Identify pledged securities by symbol "P"; matured by symbol "M") (n)	Canceled (o)		Canceled through sinking fund or otherwise canceled (Identify canceled through sinking fund by symbol "S") (q)	Held in special funds or in treasury or pledged (Identify pledged securities by symbol "P"; matured by symbol "M") (r)	Unmatured (accounts 765, 766, and 767) (s)	Unmatured (account 764) (t)	Matured and no provision made for payment (account 768) (u)	
$ 60,000	$ -	$ -	$ 60,000	$ 60,000S	$ -	$ -	$ -	$ -	1
									2
									3
35,000	-	-	35,000	22,790S	-	12,182	-	-	4
				28					5
									6
35,000	-	-	35,000	2,000S	-	27,100	2,000	-	7
				3,900					8
50,000	-	-	50,000	27,659	-	22,341	-	-	9
									10
									11
									12
									13
									14
									15
									16
									17
									18
									19
									20
									21
									22
									23
									24
									25
									26
									27
									28
									29
									30
									31
									32
									33
									34
									35
									36
									37
									38
									39
									40
									41
									42
									43
									44
									45
									46
									47
									48
									49
									50
180,000			180,000	116,377	-	61,623	2,000	-	51

218. FUNDED DEBT AND OTHER OBLIGATIONS—Continued

Line No.	Name and character of obligation (List on same lines and in same order as on page 56) (a)	AMOUNT OF INTEREST ACCRUED DURING YEAR: Charged to income (v)	AMOUNT OF INTEREST ACCRUED DURING YEAR: Charged to investment accounts (w)	Amount of interest paid during year (x)	Total amount of interest in default (y)
1	2A Collateral Trust Bonds	$ 36	$ -	$ 54	$ -
2					
3	2A Collateral Trust Bonds	650	-	652	-
4					
5	2A Collateral Trust Bonds	2401	-	2401	-
6					
7	3A Sinking Fund Debentures	2142	-	2142	-
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					
49					
50					
51	Grand Total	5229		5249	

218. FUNDED DEBT AND OTHER OBLIGATIONS—Concluded

SECURITIES ISSUED OR ASSUMED DURING YEAR				SECURITIES REACQUIRED DURING YEAR		
				AMOUNT REACQUIRED		
Purpose of the issue and authority	Par value	Net proceeds received for issue (cash or its equivalent)	Expense of issuing securities	Par value	Purchase price	Line No.
(z)	(aa)	(bb)	(cc)	(dd)	(ee)	
-	$ -	$ -	$ -	$ 2,400	$ 2,400	1
						2
				386	321	3
						4
				-0-	-0-	5
						6
				2,046	1,940	7
						8
						9
						10
						11
						12
						13
						14
						15
						16
						17
						18
						19
						20
						21
						22
						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
						35
						36
						37
						38
						39
						40
						41
						42
						43
						44
						45
						46
						47
						48
						49
						50
Grand Total				4,832	4,661	51

219. EQUIPMENT COVERED BY EQUIPMENT OBLIGATIONS

Give the particulars called for regarding the equipment obligations included in schedule 218, "Funded Debt and Other Obligations" (accounts Nos. 764, "Equipment obligations and other debt due within 1 year" and 766, "Equipment obligations") at the close of the year. In column (*a*) show the name by which the equipment obligation is designated and in column (*b*) show the classes of equipment and the number of units covered by the obligation. In column (c) show the contract price to the original debtor; in column (d) show the cash paid on acceptance of equipment by the original debtor; do not report the price paid on a subsequent sale and assumption of balance of debt.

(Dollars in thousands)

Line No.	Designation of equipment obligation (List names in the same order as in schedule 218) (a)	Description of equipment covered (b)	Contract price of equipment acquired (c)	Cash paid on acceptance of equipment (d)
			$	$
1	NONE			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47				
48				
49				
50				

223. ITEMS IN SELECTED CURRENT LIABILITY ACCOUNTS

Give description and particulars for each item or class of items of like description in accounts Nos. 751, "Loans and notes payable"; 759, "Accrued accounts payable"; and 763, "Other current liabilities," at the close of the year. Show character of loans and notes, with name of creditor (or class of creditors), dates of issue and maturity, and appropriate description for each class of accrued accounts payable and for the other current liabilities. Show the three largest items regardless of the dollar amount and all other items (or the aggregate of a class of items of like description) amounting to $250,000 or more. Each item or class of items of like description amounting to less than $250,000 may be combined into a single entry designated "Other items, each less than $250,000." The entries for each account shall be listed and the account number and the total for each account shall be shown corresponding to the amounts in Schedule 200. In case the character of any item is not fully disclosed by the entries in the columns hereunder, make a full explanation in a footnote.

(Dollars in thousands)

Line No.	Account No. (a)	Item (b)	Amount (c)
			$
1	751	Loans and Notes Payable	
2		Loan (Pursuant to credit agreement dated 3/2/70 with a group	
3		of banks represented by Chemical Bank due 6/21/70 - currently	45,200
4		due and payable	
5			
6	759	Accrued Accounts Payable	365
7		Other items, each less than $250,000	
8			
9	763	Other Current Liabilities	-
10		None	
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41			
42			
43			
44			
45			

224. FEDERAL INCOME AND OTHER TAXES ACCRUED

Give the particulars called for with respect to the balances at close of year in accounts Nos. 760, "Federal income taxes accrued" and 761, "Other taxes accrued." *(Dollars in thousands)*

Line No.	Kind of tax (a)	Previous years (b)	Current year (c)	Balance at close of year (d)
		$	$	$
1	Federal income taxes Total (account 760)			
2	Railway property State and local taxes (532)	-	-	-
3	Old-age retirement (532)	-	-	-
4	Unemployment insurance (532)	-	-	-
5	Miscellaneous operating property (535)	-	-	-
6	Miscellaneous tax accruals (544)	21	24	24
7	All other taxes	-	-	-
8	Total (account 761)	21	24	24

NOTES AND REMARKS

225. ITEMS IN SELECTED RESERVE AND OTHER LIABILITY ACCOUNTS

Give description and particulars for each item or class of items of like description in accounts Nos. 771, "Pension and welfare reserves"; 772, "Insurance reserves"; 774, "Casualty and other reserves"; 782, "Other liabilities"; and 784, "Other deferred credits," at the close of the year. Show creditor (or class of creditors) for deferred liabilities, and appropriate description of each class of operating reserve and for items of deferred credits. Show the three largest items regardless of the dollar amount and all other items (or the aggregate of a class of items of like description) amounting to $250,000 or more. Each item or class of items of like description amounting to less than $250,000 may be combined into a single entry designated "Other items, each less than $250,000." The entries for each account shall be listed and the account number and the total for each account shall be shown corresponding to the amounts in Schedule 200. In case the character of any item is not fully disclosed by the entries in the columns hereunder, make a full explanation in a footnote.

(Dollars in thousands)

Line No.	Account No. (a)	Item (b)	Amount (c)
1	782	Other Liabilities	$
2		Liability for guaranteed debt of Penn Towers, Inc.	
3		See Note 4f, Page 14	870
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41			
42			
43			
44			
45			

NOTES AND REMARKS

228. CAPITAL STOCK

Give particulars of the various issues of capital stock of the respondent, distinguishing separate issues of any general class, if different in any respect.

In the second section list particulars of the various issues on the same lines and in the same order as in the first section.

Identify the entries in columns (m) to (s), inclusive, in a manner which will indicate whether par value or the number of shares is shown.

In stating the date of an authorization the date of the latest assent or ratification necessary to its validity should be shown; e. g., in case an authorization is required to be ratified by stockholders after action by the board of directors, but is not required to be approved by any State or other governmental board or officer, give the date of approval by stockholders; if the assent of a State railroad commission or other public board or officer is necessary, give the date of such assent, or if subsequent to such assent notice has to be filed with a secretary of state or other public officer and a tax or other fee has to be paid as a condition *precedent* to the validity of the issue, give the date of such payment. In case some *condition precedent* has to be complied with after the approval and ratification of the stockholders has been obtained, state, in a footnote, the particulars of such condition and of the respondent's compliance therewith.

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 for a valuable consideration, and such purchaser 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 under such circumstances as require them to be considered as held alive, and not canceled or retired, they are considered to be *nominally outstanding*.

Column (d) refers to the initial preference dividend payable before any common dividend; columns (k) and (l) to participations in excess of initial preference dividend; at a specified percentage or amount (nonpar stock) (column (k)) or a percentage or proportion of the profits (column (l)).

(Dollars in thousands)

Line No.	Class of stock (a)	Date issue was authorized (b)	Par value per share (if nonpar, so state) (c)	PREFERRED STOCK: Dividend rate specified in contract (d)	Total amount of accumulated dividends (e)	Cumulative: To extent earned ("Yes" or "No") (f)	Cumulative: Fixed $ rate or percent specified by contract (g)	Noncumulative ("Yes" or "No") (h)	Other Provisions of Contract: Convertible ("Yes" or "No") (i)	Callable or redeemable ("Yes" or "No") (j)	Participating Dividends: Fixed amount or percent (Specify) (k)	Fixed ratio with common (Specify) (l)
			$		$							
1	Common	7/24/64	25.00	x x x x x	x x x x x x	x x x x x	x x x x x x	x x x x x	x x x x x	x x x x x x	x x x x x x	x x x x x x
2				x x x x x	x x x x x x	x x x x x	x x x x x x	x x x x x	x x x x x	x x x x x x	x x x x x x	x x x x x x
3				x x x x x	x x x x x x	x x x x x	x x x x x x	x x x x x	x x x x x	x x x x x x	x x x x x x	x x x x x x
4				x x x x x	x x x x x x	x x x x x	x x x x x x	x x x x x	x x x x x	x x x x x x	x x x x x x	x x x x x x
5	Preferred	7/24/64	100.00	4-5/8%	None	No	4-5/8%	No	Yes	Yes	None	None
6												
7												
8	Debenture											
9	Receipts outstanding for installments paid*											
10	TOTAL	x x x x	x x x x	x x x x x		x x x x x	x x x x x x	x x x x x	x x x x x	x x x x x x	x x x x x x	x x x x x x

Line No.	PAR VALUE OF PAR-VALUE STOCK OR NUMBER OF SHARES OF NONPAR STOCK: Authorized (m)	Authenticated (n)	Nominally Issued and: Held in special funds or in treasury or pledged (Identify pledged securities by symbol "P") (o)	Nominally Issued and: Canceled (p)	Actually issued (q)	Reacquired and: Canceled (r)	Reacquired and: Held in special funds or in treasury or pledged (Identify pledged securities by symbol "P") (s)	STOCK ACTUALLY OUTSTANDING AT CLOSE OF YEAR: Number of shares (t)	Par value of par-value stock (u)	Book value of stock without par value (v)
									$	$
1	140,000	124,625	-	-	124,625	-	-	4,985,000	124,625	-
2										
3										
4										
5	73,000	70,590	-	-	70,590	52,005	-	185,854	18,585	
6										
7										
8										
9										
10	xx xx xx	xx xx xx	xx xx xx	xx xx xx	xx xx xx	xx xx xx	xx xx xx			

*State the class of capital stock covered by the receipts.

229. CAPITAL STOCK CHANGES DURING THE YEAR

Give full particulars of stocks actually or nominally issued (either original issues or reissues) and of stocks reacquired or canceled during the year.

In the second section of the schedule show the particulars of the several issues on the same lines and in the same order as in the first section.

In column (c) state whether issued for construction of new properties, for additions and betterments, for purchase of railroad or other property, for conversion, for acquisition of securities, for reorganization, or for other corporate purposes. If an issue of securities was authorized for more than one purpose, state amount applicable to each purpose. Also give the number and date of the authorization by the public authority under whose control such issue was made, naming such authority. In column (e) include as cash all money, checks, drafts, bills of exchange and other commercial paper payable at par on demand. For nominally issued stock, show returns in columns (a), (b), (c), and (d) only. For each class of stock actually issued, the sum of the entries in columns (e), (f), and (h), plus discounts or less premiums in column (g), should equal the total par value or the book value represented by the total number of shares reported in column (d).

Particulars concerning the reacquirement of stock that was actually outstanding should be given in columns (a), (i), and (j).

(Dollars in thousands)

Line No.		STOCKS ISSUED DURING YEAR			
	Class of stock (a)	Date of issue (b)	Purpose of the issue and authority (c)	Par value (for nonpar stock show the number of shares) (d)	Net proceeds received for issue (cash or its equivalent) (e)
				$	$
1	NONE				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15			Total		

Line No.	STOCKS ISSUED DURING YEAR—Concluded			STOCKS REACQUIRED DURING YEAR		
	Cash value of other property acquired or services received as consideration for issue (f)	Net total discounts (in black) or premiums (in red). Excludes entries in column (h) (g)	Expense of issuing capital stock (h)	Par value (For nonpar stock show the number of shares) (i)	Purchase price (j)	Remarks (k)
	$	$	$	$	$	
1		NONE		1034	(A) 595	10,341 shares Pa. Co. 4-5/8% Cumulative
2						Preferred stock
3						par value $100
4						exchanged for 7,907
5						shares Norfolk and
6						Western Rwy. Co.
7						common pursuant to
8						agreement of merger
9						dtd. Feb. 26, 1964
10			(A) Cost of $75.250 per share of			
11			N&W common issued therefor			
12						
13						
14						
15						

230. STOCK LIABILITY FOR CONVERSION OF SECURITIES OF OTHER COMPANIES

If at the close of the year respondent was subject to any liability to issue its own capital stock in exchange for outstanding securities of constituent of other companies, give full particulars thereof hereunder, including names of parties to contracts and abstracts of terms of contracts whereunder such liability exists.

231. CAPITAL SURPLUS

Give an analysis in the form called for below of capital surplus accounts. In column (a) give a brief description of the item added or deducted and in column (b) insert the contra account number to which the amount stated in column (c), (d) or (e) was charged or credited. *(Dollars in thousands)*

Line No.	Item (a)	Contra account number (b)	ACCOUNT NO. 794. Premiums and Assessments on Capital Stock (c)	795. Paid-In Surplus (d)	796. Other Capital Surplus (e)
			$	$	$
1	Balance at beginning of year	x x x	NONE	31,328	
	Additions during the year (describe):				
2	Excess of par value of preferred stock tendered for			516	
3	conversion over market value of Norfolk & Western Rwy. Co.				
4	common stock issued therefor				
5	Quasi-reorganization adjustments			4,088	
6	Total additions during the year	x x x		4,604	
	[illegible]s during the year (describe):				
7					
8					
9	Deductions			-0-	
10	Total deductions	x x x			
11	Balance at close of year	x x x		35,932	

232. RETAINED INCOME—APPROPRIATED

Give an analysis in the form called for below of account No. 797, "Retained income—Appropriated." *(Dollars in thousands)*

Line No.	Class of appropriation (a)	Credits during year (b)	Debits during year (c)	Balance at close of year (d)
		$	$	$ NONE
1	Additions to property through retained income			
2	Funded debt retired through retained income			
3	Sinking fund reserves			
4	Incentive per diem funds			
5	Miscellaneous fund reserves			
6	Retained income—Appropriated not specifically invested			
	Other appropriations (specify):			
7				
8				
9				
10				
11				
12				
13				
14				
15				
16	TOTAL			

395. ITEMS IN SELECTED INCOME AND RETAINED INCOME ACCOUNTS FOR THE YEAR

Give a brief description for all items, regardless of amount, included during the year in accounts 570, "Extraordinary items"; 580, "Prior period items"; 590, "Income taxes on extraordinary and prior period items"; 606, "Other credits to retained income"; 616, "Other debits to retained income"; 620, "Appropriations for sinking and other reserve funds"; 621, "Appropriations for other purposes"; and 622, "Appropriations released." Give a brief description of the three largest items regardless of the dollar amount and all other items amounting to $250,000 or more included during the year in accounts 519, "Miscellaneous income", and 551, "Miscellaneous income charges." Items less than $250,000 may be combined into a single entry designated "Other items, each less than $250,000." The entries for each account shall be listed and the total of each account shall be shown corresponding to the amounts in Schedules 300 and 305, as appropriate. In case the character of any item is not fully disclosed by the entries in the columns hereunder, make a full explanation in a footnote. *(Dollars in thousands)*

Line No.	Account No. (a)	Item (b)	Debits (c)	Credits (d)
			$	$
1	519	Miscellaneous Income Credits		
2		Gain on partial redemption of Strick, Inc. pfd. stk.		531
3		Gain resulting from proportionate adjustment		
4		of carrying value of Transport Pool Corp.		
5		note based on payments received during the year		140
6				
7				671
8				
9	551	Miscellaneous Income Charges		
10		Loss on 63,000 shares Norfolk & Western Rwy. Co.		
11		common stock sold during the year	466	
12		Excess of carrying value over market value of		
13		Norfolk & Western Rwy. Co. common stock		
14		exchanged for preferred stock See note page	77	
15				
16			543	
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				

MEMORANDA RELATING TO SELECTED INCOME AND RETAINED INCOME ACCOUNTS

NOTES AND REMARKS

562. COMPENSATION OF OFFICERS, DIRECTORS, ETC.

1. In columns (a) and (b) enter the name and position of each of the five persons named in Schedules 102 and 103 of this report to whom the respondent paid the largest amount during the year as compensation for current or past service over and above necessary expenses incurred in discharge of duties. In addition, list all other officers, directors, pensioners or employees, if any, to whom the respondent paid $40,000 or more in total compensation during the year.

2. The salary per annum to be entered in column (c) is the annual rate at which an employee is paid rather than the amount actually paid for a part of a year. If the salary of an individual was increased or decreased during the year, show salary before each change as well as at close of year.

3. If an officer, director, etc., receives compensation from one or more of the affiliated companies listed in Schedule 104, reference to this fact should be made if the aggregate compensation from all companies amounts to $40,000 or more. The detail as to division of the compensation should be reported in schedule 564.

4. Other compensation to be entered in column (d) includes, but is not limited to, commissions; bonuses; shares in profits; contingent compensation; moneys paid, set aside or accrued pursuant to any pension, retirement, savings, deferred compensation, or similar plan including premiums paid for retirement annuities, or life insurance where the respondent is not the beneficiary (Premiums on group life insurance for benefits less than $50,000 need not be reported.), or any other arrangement which constitutes a form of compensation. Give the details of any plan not previously reported, the basis of determining the ultimate benefits payable, and the payments or provisions made during the year.

5. Also include in column (d) all remuneration paid, directly or indirectly, in the form of securities, options, warrants, rights or other property. Furnish particulars concerning any options, warrants, or rights issued or granted during the year including prices, expiration dates and other information relating to exercise of the options, warrants, or rights. Specify the amount of such securities or assets so entitled to be purchased by each officer, director, etc. *(Dollars in thousands)*

Line No.	Name of person (a)	Position or Title (b)	Salary per annum as of close of year (see instructions) (c)	Other compensation during the year (d)
1	Detail of compensation paid to officers and directors,		$	$
2	etc. is being supplied to the Interstate Commerce Commission			
3	in separate letter.			
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				

563. PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES AND AFFILIATES

1. In the form below give information concerning payments, fees, retainers, commissions, gifts, contributions, assessments, bonuses, pensions, subscriptions, allowance for expenses, or any form of payments amounting in the aggregate to $50,000 or more during the year to any corporation, institution, association, firm, partnership, committee, or any person, except:

(a) Payments to employees of the respondent shall be reported in Schedule 562.

(b) Payments for services rendered by affiliates shall be reported in Schedule 564.

(c) Payments for accounting and audit fees must be reported in full regardless of the $50,000 limitation. These fees must not be included with management fees paid to parent companies.

2. The aggregate of payments to be reported in column (c) shall include amounts paid and/or accrued during the year which are applicable to the year.

3. When contributions under $50,000 are made in common with other carriers under a joint arrangement in payment for the performance of services or as a donation, each such contribution shall be reported, irrespective of the amount thereof, if the total amount paid by all contributors for the performance of the particular service is equal to the sum of $100,000 or more.

4. Payments to the independent public accountant reporting on the respondent's annual report shall be subdivided to show separately the amount paid for auditing and the total amount paid for other types of management services such as, but not limited to, compensation plans, pension plans, forecasts and budgets, and tax-advice. All carriers, whether payments aggregate more or less than $50,000, shall answer the following question.

Did the independent accountant reporting on the respondent's annual report provide any management services other than auditing? Specify. Yes X No ____

5. To be included are, among others, payments, directly or indirectly, for legal, medical, engineering, advertising, valuation, accounting, statistical, financial, educational, entertainment, charitable, advisory, defensive, detective, developmental, research, appraisal, registration, purchasing, architectural, and hospital services; payments for expert testimony and for handling wage disputes; and payments for services of banks, bankers, trust companies, insurance companies, brokers, trustees, promoters, solicitors, consultants, actuaries, investigators, inspectors, and efficiency engineers. Payments to the various railroad associations, commissions, committees, bureaus, boards, and other organizations maintained jointly by railroads shall also be included. The enumeration of these kinds of payments should not be understood as excluding other payments for services not excluded below.

6. To be excluded are: Rent of buildings or other property, taxes payable to the Federal, State, or local Governments, payments for heat, light, power, telegraph, and telephone services, and payments to other carriers on the basis of lawful tariff charges or for the interchange of equipment between carriers, as well as other payments for services which both as to their nature and amount may reasonably be regarded as ordinarily connected with the routine operation, maintenance, or construction of a railroad, but any special and unusual payments for services should be reported. Payments of $50,000 or more to organizations maintained jointly by railroads with other railroads are not to be excluded even if their services are regarded as routine.

7. If more convenient, this schedule may be filled out for a group of roads considered as one system and shown only in the report of the principal road in the system, with references thereto in the reports of the other roads. When the respondent is reporting on a system basis, audit fees must be reported separately for each individual railroad included in the system.

8. If any doubt exists in the mind of the reporting officer as to the reportability of any type of payment, request should be made for a ruling before filing this report.

(Dollars in thousands)

Line No.	Name of recipient (a)	Description of service (b)	Amount of payment (c)
1	O'Melveny & Myers	Legal	$ 506
2	Sharon, Pierson, Semmes,		
3	Crolius & Finley	Legal	310
4	Bedford Advisors	Consulting	76
5	Price Waterhouse & Co.	Auditing-$95; Other-$69	164
6	Reebie Associates	Consulting	72
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			

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

1. Furnish the information called for below concerning each contract, agreement or arrangement (written or unwritten) in effect at any time during the year between the respondent and the affiliated companies listed in Schedule 104, 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 not restricted to, management, legal, accounting, purchasing or other type 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 railroads for interline services and interchange of equipment.
(c) Payments to or from other railroads for services which may reasonably be regarded as ordinarily connected with routine operation, maintenance, or construction of a railroad, but any special or unusual transactions should be reported.
(d) Agreements relating to joint pension plans with affiliated companies should be reported in explanatory notes section of Schedule 200 (p. 13)

2. In column (a) enter the name of the affiliated company, person, or agent with which respondent received or provided services aggregating $30,000 or more for the year. If an affiliated company provides services to more than one affiliate, and the aggregate compensation amounts to $30,000 or more for the year, list all the affiliates included in the agreement and describe the allocation of charges in column (d). If the respondent provides services to more than one affiliate, and the aggregate compensation amounts to $30,000 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.

Attach a balance sheet and income statement for each affiliate with which respondent had reportable transactions during the year. These statements should be prepared on the same accounting year basis and in conformity with the balance sheet and income statement in annual report form A, and should be noted to indicate method of depreciating property, if any, furnished to the respondent. Balance sheet and income statement are not required for affiliated carriers filing annual reports with the Commission.

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

(a) If respondent directly controls 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 footnote to describe such arrangements.

4. In column (c) fully describe the character of service 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 total for the affiliate. When services are both provided and received between the respondent and an affiliate they should be listed separately and the amounts shown separately in column (g).

5. In column (d) fully describe the basis for computing charges under each contract, agreement, etc.

6. In columns (e) and (f) indicate the date and term of each contract or arrangement. If oral contract, indicate with symbol "O".

7. In column (g) report the total amount received, paid, or accrued during the year which is applicable to the year, for each type of service listed in column (c). Indicate purchase items with the symbol "P" and sales items with the symbol "S". Do not report net figures when services are both provided and received between the respondent and an affiliate.

(Dollars in thousands)

Line No.	Name of Company or Individual and percent of gross income from respondent carrier (a)	%	Form of Affiliation (b)	Character of Service (c)	Basis of Charge (d)	Contract Date (e)	Contract Term (f)	Total Charges for Year (P)(S)	Total Charges for Year (g)
1	Buckeye Pipe Line Co.	None	Direct	Accounting & Clerical	Direct cost	-	-	(P)	$ 88
2	Victor Palmieri & Co.	None	Officers	Management services	Direct cost	6/72	5 yrs	(P)	450
3	Buckeye Pipe Line Co.	None	Direct	Executive allocation	% of salaries	10/74	-	(S)	112
4	Penn Central Trans. Co.	None	Controlled	Clerical	Direct cost	-	-	(P)	13
5	Penn Arlington, Inc.	None	Direct	Expense Allocation	Direct cost	-	-	(S)	14
6	Penn Houston, Inc.	None	Direct	Expense allocation	Direct cost	-	-	(S)	16
7	Penn Orlando, Inc.	None	Indirect	Expense allocation	Direct cost	-	-	(S)	38
8	Clearfield Bituminous Coal	None	Direct	Payroll allocation	Direct cost	-	-	(S)	12
9									

Road Initials PaCo Year 1975

565. OTHER TRANSACTIONS BETWEEN RESPONDENT AND COMPANIES OR PERSONS AFFILIATED WITH RESPONDENT

1. Furnish the information called for below concerning transactions between the respondent and the affiliated companies listed in Schedule 104, 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 not limited to, purchase, sale or transfer of equipment, land, structures, securities or other assets aggregating $30,000 in value for the year.
2. In column (a) enter the name of the affiliated company, person, or agent with which respondent transacted purchase, sale or transfer.
3. In column (b) indicate form of affiliation or control between the respondent and company or person identified in column (a) in accord with instruction No. 3 to Schedule 564.
4. In column (c) briefly describe the kind of asset purchased, sold or transferred.
5. In column (d) report the total of all purchases, sales or transfers of property with a value of $30,000 or more. If individual items are less than that amount, report the total of all purchases or sales with the company or individual named in column (a) when the aggregate of such items is $30,000 for the year. Indicate purchase items with the symbol "P" and sales items with the symbol "S".
6. In column (e) summarize the book cost, less accrued depreciation if applicable, for each item reported in column (d).
7. In column (f) report the net profit or loss for each item (column (d) less column (e)).
8. Answer all questions at bottom of schedule. *(Dollars in thousands)*

Line No.	Name of Company or Individual (a)	Form of Affiliation (b)	Description of Item (c)	Sales or Purchase Price (d)	Net Book Value (e)	Gain or (Loss) (f)
			NONE	$	$	$
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						

With respect to the transactions listed above, were any gains or losses incurred by other affiliated companies in the six (6) accounting years preceding this report year on the transfer of the item to the company or individual named in column (a)? Specify. Yes___ No___ If yes, give particulars of prior transaction such as sales price, and gain or loss.

Where any services provided or assets transferred between respondent and affiliated companies or individuals during the year for which no charges were assessed? Specify. Yes___ No___ If yes, explain.

600. REMUNERATIONS FROM NATIONAL RAILROAD PASSENGER CORPORATION

This schedule should be completed by carriers participating in the National Railroad Passenger Corporation (NRPC) agreement, as required by order of the Commission, January 30, 1973, No. 35344 (Sub-NO. 3). Classify by accounts the amounts credited for remunerations for intercity passenger service performed by respondent on behalf of NRPC. All contra entries should be indicated in parenthesis.

(Dollars in thousands.)

Line No.	Name of Account (a)	Amount (b)
	Maintenance of Way and Structures	$ NONE
1	201 Superintendence	
2	202 Roadway Maintenance	
3	206 Tunnels and Subways	
4	208 Bridges, Trestles and Culverts	
5	210 Elevated Structures	
6	212 Ties	
7	214 Rails	
8	216 Other Track Material	
9	218 Ballast	
10	220 Track Laying and Surfacing	
11	221 Fences, Snowsheds and Signs	
12	227 Station and Office Buildings	
13	229 Roadway Buildings	
14	231 Water Stations	
15	233 Fuel Stations	
16	235 Shops and Enginehouses	
17	247 Communication Systems	
18	249 Signals and Interlockers	
19	253 Power Plants	
20	257 Power-transmission Systems	
21	265 Miscellaneous Structures	
22	269 Roadway Machines	
23	271 Small Tools and Supplies	
24	272 Removing Snow, Ice and Sand	
25	273 Public Improvements; Maintenance	
26	274 Injuries to Persons	
27	276 Stationery and Printing	
28	277 Employees Health and Welfare Benefits	
29	278 Maintaining Joint Tracks, Yards and Other Facilities - Dr.	
30	279 Maintaining Joint Tracks, Yards and Other Facilities - Cr.	
31	281 Right-of-way Expenses	
32	282 Other Expenses	
33	Total	
	Maintenance of Equipment	NONE
34	301 Superintendence	
35	302 Shop Machinery	
36	304 Power-plant Machinery	
37	305 Shop and Power-plant Machinery; Depreciation	
38	311 Locomotives; Repairs	
39	317 Passenger-train Cars; Repairs	
40	326 Work Equipment; Repairs	
41	328 Miscellaneous Equipment; Repairs	
42	331 Equipment; Depreciation	
43	332 Injuries to Persons	
44	334 Stationery and Printing	
45	335 Employees Health and Welfare Benefits	

600. REMUNERATIONS FROM NATIONAL RAILROAD PASSENGER CORPORATION - Continued

Line No.	Name of Account (a)	Amount (b)
	Maintenance of Equipment—Continued	$
		NONE
46	336 Joint Maintenance of Equipment Expenses - Dr.	
47	337 Joint Maintenance of Equipment Expenses - Cr.	
48	339 Other Expenses	
49	Total	
	Traffic	
50	351 Superintendence	
51	352 Outside Agencies	
52	353 Advertising	
53	354 Traffic Associations	
54	358 Stationery and Printing	
55	359 Employees Health and Welfare Benefits	
56	360 Other Expenses	
57	Total	
	Transportation	
58	371 Superintendence	
59	372 Dispatching Trains	
60	373 Station Employees	
61	376 Station Supplies and Expenses	
62	377 Yardmasters and Yard Clerks	
63	378 Yard Conductors and Brakemen	
64	379 Yard Switch and Signal Tenders	
65	380 Yard Enginemen	
66	382 Yard Switching Fuel	
67	383 Yard Switching Power Produced	
68	384 Yard Switching Power Purchased	
69	388 Servicing Yard Locomotives	
70	389 Yard Supplies and Expenses	
71	390 Operating Joint Yards and Terminals - Dr.	
72	391 Operating Joint Yards and Terminals - Cr.	
73	392 Train Enginemen	
74	394 Train Fuel	
75	395 Train Power Produced	
76	396 Train Power Purchased	
77	400 Servicing Train Locomotives	
78	401 Trainmen	
79	402 Train Supplies and Expenses	
80	403 Operating Sleeping Cars	
81	404 Signal and Interlocker Operation	
82	405 Crossing Protection	
83	406 Drawbridge Operation	
84	407 Communication System Operation	
85	409 Employees Health and Welfare Benefits	
86	410 Stationery and Printing	
87	411 Other Expenses	
88	412 Operating Joint Tracks and Facilities - Dr.	
89	413 Operating Joint Tracks and Facilities - Cr.	
90	415 Clearing Wrecks	
91	420 Injuries to Persons	
92	Total	

This page is to be inserted in the respondent's annual report, immediately preceding the "Verification/Oath" page

Schedule 10000.—COMPETITIVE BIDDING — CLAYTON ANTITRUST ACT

Approved by GAO
B-180230 (RO339)

Section 10 of the Clayton Antitrust Act (15 U.S.C. 20) states that "no common carrier engaged in commerce shall have any dealings in securities, supplies or other articles of commerce, or shall make or have any contracts for construction or maintenance of any kind, to the amount of more than $50,000, in the aggregate, in any one year, with another corporation, firm, partnership or association when the said common carrier shall have upon its board of directors or as its president, manager or as its purchasing or selling officer, or agent in the particular transaction, any person who is at the same time a director, manager, or purchasing or selling officer of, or who has any substantial interest in, such other corporation, firm, partnership or association, unless and except such purchases shall be made from, or such dealings shall be made with, the bidder whose bid is the most favorable to such common carrier, to be ascertained by competitive bidding under regulations to be prescribed by rule or otherwise by the Interstate Commerce Commission." The specification for competitive bids is found in the Code of Federal Regulations, Part 1010-Competitive Bids through Part 1010.7 - Carriers Subject to the Interstate Commerce Act.

To ensure that this section of the Clayton Antitrust Act and the Commission's regulations are being complied with, all carriers required to file this report should complete this schedule.

In column (g), identify the company awarded the bid by including company name and address, name and title of respondent officers, directors, selling officer, purchasing officer and/or general manager that has an affiliation with the seller.

Line No.	Nature of bid (a)	Date Published (b)	Contract number (c)	No. of bidders (d)	Method of awarding bid (e)	Date filed with the Commission (f)	Company awarded bid (g)
1	N/A						
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							

690. REMUNERATIONS FROM NATIONAL RAILROAD PASSENGER CORPORATION - Concluded

Line No.	Name of Account (a)	Amount (b)
	Miscellaneous	$
93	441 Dining and Buffet Service	NONE
94	447 Operating Joint Miscellaneous Facilities - Dr.	
95	448 Operating Joint Miscellaneous Facilities - Cr.	
96	449 Employees Health and Welfare Benefits	
97	Total	
	General	
98	451 Salaries and Expenses of General Officers	
99	452 Salaries and Expenses of Clerks and Attendants	
100	453 General Office Supplies and Expenses	
101	454 Law Expenses	
102	456 Employees Health and Welfare Benefits	
103	457 Pensions	
104	458 Stationery and Printing	
105	460 Other Expenses	
106	461 General Joint Facilities - Dr.	
107	462 General Joint Facilities - Cr.	
108	Total	
	RENTS	
109	504 Rent from Locomotives	
110	505 Rent from Passenger-train Cars	
111	507 Rent from Work Equipment	
112	508 Joint Facility Rent Income	
113	537 Rent for Locomotives	
114	538 Rent for Passenger-train Cars	
115	541 Joint Facility Rents	
116	Total Rents	
117	532 Railway Tax Accruals	
118	Total Remunerations	

NOTES AND REMARKS

VERIFICATION

The foregoing report must be verified by the oath of the officer having control of the accounting of the respondent. It should be verified, also, by the oath of the president or other chief officer of the respondent, unless the respondent states on the last preceding page of this report that such chief officer has no control over the accounting of the respondent. The oath required may be taken before any person authorized to administer an oath by the laws of the State in which the same is taken.

OATH

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

State of Virginia
County of Arlington } ss:

Michael L. Cossel makes oath and says that he is Corporate Controller
(Insert here the name of the affiant) (Insert here the official title of the affiant)

Of Pennsylvania Company
(Insert here the exact legal title or name of the respondent)

that it is his duty to have supervision over the books of account of the respondent and to control the manner in which such books are kept; that he knows that such books have, during the period covered by the foregoing report, been kept in good faith in accordance with the accounting and other orders of the Interstate Commerce Commission, effective during the said period; that he has carefully examined the said report and to the best of his knowledge and belief the entries contained in the said report have, so far as they relate to matters of account, been accurately taken from the said books of account and are in exact accordance therewith; that he believes that all other 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 during the period of time from and including

January 1, 1975 to and including December 31, 1975

Michael L Cossel
(Signature of affiant)

Subscribed and sworn to before me, a Notary Public, in and for the State and county above named, this 31st day of March, 1976

My commission expires June 28, 1976

Use an L.S. impression seal

Terence M. O'Donnell
(Signature of officer authorized to administer oaths)

SUPPLEMENTAL OATH

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

State of Virginia
County of Arlington } ss:

Charles R. Lee makes oath and says that he is Vice President-Finance
(Insert here the name of the affiant) (Insert here the official title of the affiant)

of Pennsylvania Company
(Insert here the exact legal title or name of the respondent)

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 Jan. 1, 1975 to and including Dec. 31, 1975

Charles R Lee
(Signature of affiant)

Subscribed and sworn to before me, a Notary Public, in and for the state and county above named, this 31st day of March, 1976

My commission expires June 28, 1976

Use an L.S. impression seal

Terence M. O'Donnell
(Signature of officer authorized to administer oaths)

MEMORANDA
(FOR USE OF COMMISSION ONLY)

CORRESPONDENCE

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

CORRECTIONS

Date of Correction			Page	Authority						Clerk making Correction
				Letter or Telegram of—			Officer sending letter or telegram		Commission File number	
Month	Day	Year		Month	Day	Year	Name	Title		Name

EXPLANATORY REMARKS

INDEX

INDEX---Continued

INDEX—Concluded

☆ GPO : 1975 O - 595-523 (81)