

RAILROAD FACTS
2008 EDITION



RAILROAD FACTS



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CLASS I FREIGHT RAILROAD SYSTEMS IN THE UNITED STATES - 2007



Eastern Railroads:

Canadian National Railway (CN)
Grand Trunk Corporation
CSX Transportation
Norfolk Southern

Western Railroads:

BNSF Railway Co.
Canadian Pacific
Soo Line Railroad Co.
Kansas City Southern Railway Co.
Union Pacific Railroad Co.



BUILDING AMERICA®

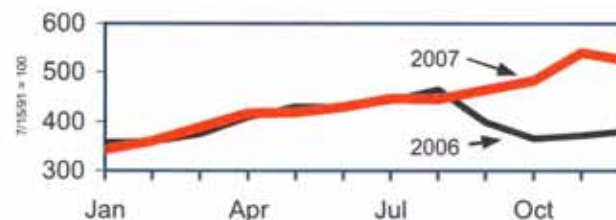
Note: The entire Canadian National Railway and Canadian Pacific systems are not U.S. Class I railroads. However, most of the U.S. portions of these railroads (Grand Trunk Corporation and Soo Line Railroad, respectively) meet the U.S. regulatory criteria for U.S. Class I railroads.

THE YEAR IN REVIEW

Following unprecedented growth from 2003–2006 — resulting from the strong economy and fundamental changes in the transportation marketplace that favored rail over highway — the railroads' solid performance during the 2007 economic downturn demonstrated the industry's strength. Although rail traffic was down slightly, 2007 still marked the second-highest volume year in history — and the Class I railroads' financial performance in 2007 was not much different from their much-improved performance of 2006. Return on investment dropped from 10.2 percent to 9.9 percent, but return on equity increased from 11.3 percent to 11.5 percent. The industry was also able to make a slight improvement to its operating ratio despite significant cost increases for fuel and materials.

Locomotive diesel fuel prices for 2007 were similar to 2006 for the first eight months of the year, but ended the year much higher — contributing to an anomaly of prices that increased 53 percent *during* the year, but costs that *averaged* only 14 percent higher than 2006. Although the railroads again set a new record for fuel efficiency, fuel expense represented 21 percent of total operating expenses in 2007, compared to less than 9 percent a decade earlier.

Index of Locomotive Diesel Fuel Prices



Railroads also achieved their safest year ever in 2007: the train accident rate was the lowest ever, down 71 percent since 1980; the grade crossing collision rate was also the lowest ever, down 77 percent since 1980; and the employee injury rate was the second lowest ever, down 80 percent since 1980. The loss and damage claims ratio was also at its lowest level ever.

STATISTICAL NOTES

Class I railroads represented 67 percent of the U.S. freight rail mileage, 90 percent of freight railroad industry employees, and 93 percent of freight railroad revenue in 2007. Unless otherwise noted, data in *Railroad Facts* include only U.S. Class I freight railroads. All passenger-related information was discontinued beginning in 1989, except for the Amtrak profile on page 77, the safety statistics on pages 64 and 65, and selected employment data on page 56. "Railroad Industry" employees on page 56 include freight, passenger, rail-related unions and associations, and other employees. Total freight railroad employees are found on pages 3 and 58.

Miles of road owned on pages 45 and 69 differ in the treatment of trackage rights over a 328-mile state-owned rail line. The line is included on page 45 and counted as government-owned, but excluded on page 69 where it is counted as trackage rights.

Freight car data for some of the foreign railroads may be sourced from 10-K or 40-F reports, causing car counts that differ from the CS-8A methodology used for the U.S. railroads.

Due to independent rounding, some numbers may not sum across lines or down columns to the totals shown. Percentages, unit values, and ratios are computed from the actual numbers and may not be precisely calculable from the rounded numbers (e.g., in millions) displayed. Parentheses around a number indicate a negative number. A "-" in a table indicates that data for that year do not exist.

Historical data presented in *Railroad Facts* are not necessarily comparable from year to year because: (1) the consist of Class I railroads has changed over time due to bankruptcies, mergers, changes in consolidation rules, and changes in the definition of "Class I" by the STB; and (2) in 1983, railroad accounting for track and related structures was changed from "Retirement, Replacement, Betterment" (RRB) to "Ratable Depreciation." Tables in *Railroad Facts* that include a horizontal line before 1983 have been significantly impacted by the regulatory accounting change. The Uniform System of Accounts (USOC) was refined in 1978, making operating expenses before and after that year not fully comparable. The operating expenses on page 14 for years prior to 1978 were first restated in the 1979 edition to be consistent with the refined USOC.

STATISTICAL HIGHLIGHTS

Item	2007	2006	Percent Change
PLANT AND EQUIPMENT:			
Year-end net investment	\$117,963,224,000	\$112,556,490,000	4.8 %
Locomotives in service	24,143	23,732	1.7
Freight cars in service ¹	1,385,709	1,361,250 r	1.8
Capital expenditures	\$9,156,987,000	\$8,452,201,000	8.3
New locomotives added	902	922	(2.2)
New freight cars added ^{1,2}	63,156	74,729	(15.5)
Miles of road	94,440	94,942	(0.5)
TRAFFIC:			
Carloads originated	31,458,931	32,114,399	(2.0)
Revenue ton-miles	1,770,545,245,000	1,771,896,504,000	(0.1)
Revenue per ton-mile	2.990¢	2.840¢	5.3
Avg. length of haul (miles)	913	906	0.8
FINANCIAL RESULTS:			
Operating revenue	\$54,599,504,000	\$52,151,588,000	4.7
Operating expenses	\$42,747,102,000	\$40,980,029,000	4.3
Current taxes	\$6,189,528,000	\$6,044,301,000	2.4
Net railway operating income	\$7,765,051,000	\$7,559,597,000	2.7
Rate of return on net investment	9.9%	10.2%	(2.9)
Ordinary income	\$6,797,225,000	\$6,482,025,000	4.9
EMPLOYMENT AND COMPENSATION:			
Number of employees	167,216	167,581	(0.2)
Total wages	\$11,599,244,000	\$11,419,054,000	1.6
Average annual wages	\$69,367	\$68,141	1.8
OPERATIONS:			
Cars per freight train	70.3	69.2	1.5
Tons per carload	61.7	60.9	1.2
Net ton-miles per train-hour	62,725	58,268	7.6
Revenue ton-miles per car loaded	56,281	55,175	2.0
Tons per train load	3,274	3,163	3.5

¹ All U.S. railroads & private car companies. See page 51 for note on freight cars in service.

² U.S. & Canadian owned cars.

r - revised

CONDENSED INCOME STATEMENT

(Amounts shown in millions)

	<u>2007</u>	<u>2006</u>
Total operating revenue	\$54,600	\$52,152
Freight	52,932	50,315
Passenger	74	70
All other revenue	1,594	1,767
Total operating expenses	42,747	40,980
Net operating revenue	11,852	11,172
Other income	1,301	1,049
Miscellaneous deductions	1,070	945
Interest charges and amortization of discount	1,178	1,151
Income taxes on ordinary income	3,026	2,857
Provision for deferred taxes	1,082	786
Unusual or infrequent items (Dr) Cr	0	0
Ordinary income	6,797	6,482
Net railway operating income	7,765	7,560
Rate of return on net investment	9.9%	10.2%

DISTRIBUTION OF OPERATING REVENUE

(Amounts shown in millions)

	<u>2007</u>
Total operating revenue	\$54,600
Total labor costs	14,427
Wages charged to expenses	10,275
Health and welfare and pensions	1,949
Payroll taxes	2,203
Income taxes on ordinary income	3,026
Provision for deferred taxes	1,082
Locomotive fuel	8,920
Loss and damage, injuries and insurance	894
Depreciation	4,801
All other expenses	13,684
Total expenses and taxes	46,834
Net railway operating income	7,765

THE REVENUE DOLLAR - 2007



OPERATING REVENUE

In 2007, operating revenue totaled \$54.6 billion, up by 4.7 percent from 2006. Freight revenue accounted for 96.9 percent of total operating revenue in 2007. The remaining 3.1 percent was derived from switching, demurrage and incidental charges, and a small amount of passenger revenue derived from commuter operations.

(Amounts shown in thousands)

Year	United States	East	West
1929	\$ 6,279,521	\$ 3,886,879	\$ 2,392,642
1939	3,995,004	2,480,208	1,514,796
1944	9,436,790	5,416,089	4,020,701
1947	8,684,918	5,137,930	3,546,988
1955	10,106,330	5,815,997	4,290,333
1960	9,514,294	5,291,650	4,222,644
1965	10,207,850	5,651,838	4,556,012
1970	11,991,658	6,544,073	5,447,585
1975	16,401,860	8,535,831	7,866,029
1980	28,257,548	13,588,703	14,668,845
1985	27,586,441	12,918,574	14,667,867
1990	28,369,803	12,511,463	15,858,340
1995	32,279,491	13,384,718	18,894,773
1996	32,692,638	13,586,392	19,106,246
1997	33,118,031	13,833,120	19,284,911
1998	33,150,891	13,921,095	19,229,796
1999	33,521,176	13,357,038	20,164,138
2000	34,102,141	13,287,783	20,814,358
2001	34,575,851	13,632,879	20,942,972
2002	35,327,265	14,149,538	21,177,727
2003	36,638,941	14,590,384	22,048,557
2004	40,517,155	16,214,780	24,302,375
2005	46,118,002	18,240,299	27,877,703
2006	52,151,588	20,179,439	31,972,149
2007	54,599,504	20,729,365	33,870,139

FREIGHT REVENUE



(Amounts shown in thousands)

Year	United States	East	West
1929	\$ 4,825,622	\$ 2,948,430	\$ 1,877,192
1939	3,251,096	2,000,183	1,250,913
1944	6,998,615	3,991,867	3,006,748
1947	7,041,185	4,114,802	2,926,383
1955	8,538,286	4,828,871	3,709,415
1960	8,025,423	4,361,581	3,663,842
1965	8,835,958	4,797,206	4,038,752
1970	10,921,813	5,834,402	5,087,411
1975	15,389,809	7,804,519	7,585,290
1980	26,349,565	12,186,170	14,163,395
1985	26,687,652	12,444,633	14,243,019
1990	27,470,520	12,132,224	15,338,296
1995	31,355,593	12,973,711	18,381,882
1996	31,888,529	13,147,213	18,741,316
1997	32,322,291	13,407,206	18,915,085
1998	32,247,277	13,423,803	18,823,474
1999	32,680,081	12,872,027	19,808,054
2000	33,082,907	12,770,561	20,312,346
2001	33,532,508	13,111,025	20,421,483
2002	34,110,420	13,634,210	20,476,210
2003	35,412,613	14,095,057	21,317,556
2004	39,131,243	15,610,340	23,520,903
2005	44,456,580	17,578,883	26,877,697
2006	50,315,070	19,435,404	30,879,666
2007	52,931,987	20,148,154	32,783,833

OPERATING EXPENSES

Class I operating expenses increased 4.3 percent in 2007. Higher prices for materials & supplies and diesel fuel were major contributors to the increase. Expenses for transportation (train crews and fuel) accounted for 52.5 percent of operating expenses in 2007; equipment accounted for 20.2 percent; way & structures, 16.7 percent; and general & administrative, 10.6 percent.

(Amounts shown in thousands)

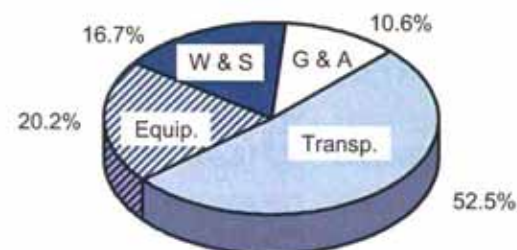
Year	United States	East	West
1929	\$ 5,109,118	\$ 3,178,515	\$ 1,930,603
1939	3,511,310	2,146,791	1,364,519
1944	7,179,655	4,274,939	2,904,716
1947	7,725,423	4,690,308	3,035,115
1955	8,621,255	4,989,032	3,632,223
1960	8,775,438	4,974,476	3,800,962
1965	9,141,398	5,115,036	4,026,362
1970	11,477,548	6,446,530	5,031,017
1975	15,935,542	8,517,851	7,417,691
1980	26,355,103	12,866,001	13,489,102
1985	25,225,295	11,947,595	13,277,700
1990	24,651,542	10,609,981	14,041,561
1995	27,896,748	11,167,080	16,729,668
1996	26,331,375	10,722,544	15,608,831
1997	27,290,643	11,051,853	16,238,790
1998	27,916,320	11,397,345	16,518,975
1999	28,010,857	11,943,898	16,066,959
2000	29,039,948	12,267,236	16,772,712
2001	29,163,867	12,102,291	17,061,576
2002	29,592,326	12,442,802	17,149,524
2003	31,440,382	13,183,390	18,256,992
2004	35,106,830	13,717,103	21,389,727
2005	37,842,772	14,643,102	23,199,670
2006	40,980,029	15,445,857	25,534,172
2007	42,747,102	15,835,979	26,911,123

PRINCIPAL CATEGORIES OF EXPENSE

(Amounts shown in thousands)

Year	Trans- portation	Equipment	Way and Structures	General and Administrative
1929	\$ 2,079,954	\$ 1,202,912	\$ 855,355	\$ 970,897
1939	1,417,794	765,935	466,831	860,750
1944	2,973,910	1,587,485	1,263,292	1,354,968
1947	3,476,433	1,558,011	1,212,096	1,478,883
1955	3,769,856	1,787,739	1,387,494	1,676,166
1960	3,832,882	1,759,828	1,191,690	1,991,038
1965	4,020,161	1,774,878	1,235,801	2,110,558
1970	4,873,299	2,165,254	1,612,585	2,826,410
1975	6,735,741	2,856,203	2,408,980	3,934,618
1980	12,704,116	6,412,433	4,940,091	2,291,966
1985	11,721,539	6,349,579	4,332,663	2,821,529
1990	11,276,732	6,349,784	4,278,075	2,746,951
1995	11,455,439	7,018,921	5,446,567	3,975,821
1996	11,737,946	6,960,447	4,455,598	3,177,384
1997	12,311,439	6,916,672	4,657,206	3,405,326
1998	12,066,087	7,089,869	4,715,485	4,044,879
1999	12,266,911	7,487,545	5,062,400	3,194,001
2000	13,348,840	7,264,564	5,033,979	3,392,565
2001	13,309,186	7,180,965	5,127,429	3,546,287
2002	13,057,818	7,159,407	5,502,599	3,872,502
2003	14,212,113	7,321,177	5,812,489	4,094,603
2004	16,203,370	7,927,662	6,389,429	4,586,369
2005	18,658,355	8,078,518	6,498,350	4,607,549
2006	21,089,316	8,481,209	6,831,662	4,577,842
2007	22,431,935	8,642,387	7,155,465	4,517,315

Expenses by Category - 2007



TAXES

In 2007, Class I railroad taxes increased 6.5 percent over the previous year. Payroll taxes accounted for 30.3 percent of taxes. Other taxes paid by railroads include U.S. federal taxes; state and local income taxes; property taxes; and other miscellaneous taxes. Deferred taxes are defined as federal and state income taxes due in future years. Federal fuel taxes paid since 1987, including an estimated \$4.1 million in 2007, are not included in the figures below.

(Amounts shown in thousands)

Year	Total Taxes	Payroll Taxes	Federal Income Taxes	Other Taxes	Deferred Income Taxes
1929	\$ 396,683	—	\$ 89,444	\$ 307,239	—
1939	355,678	\$ 105,549	32,836	217,293	—
1944	1,846,043	238,950	1,304,377	302,716	—
1947	936,394	353,430	297,647	285,317	—
1955	1,080,413	283,843	414,299	382,271	—
1960	998,799	394,156	202,903	401,740	—
1965	916,494	395,224	163,656	357,614	—
1970	1,068,518	575,911	88,350	404,257	—
1975	1,706,411	1,088,501	58,122	445,263	\$ 114,525
1980	2,585,342	1,629,779	249,764	424,334	281,465
1985	3,168,603	2,121,858	259,507	422,178	365,060
1990	3,786,500	2,177,411	636,861	531,821	440,407
1995	4,075,222	1,862,501	1,105,625	720,704	386,392
1996	4,669,011	1,889,214	869,246	741,228	1,169,323
1997	4,514,050	1,956,677	654,095	698,884	1,204,394
1998	4,410,800	2,081,145	723,647	755,761	850,247
1999	4,458,580	2,106,464	378,890	693,739	1,279,487
2000	4,379,344	2,216,351	381,679	799,269	982,045
2001	4,672,937	2,220,100	484,798	892,205	1,075,834
2002	4,724,409	2,156,963	329,846	790,576	1,447,024
2003	4,316,453	2,068,901	317,827	829,564	1,100,161
2004	4,479,655	2,047,488	413,210	997,008	1,021,949
2005	5,176,176	2,117,568	1,714,472	1,065,987	278,149
2006	6,830,484	2,216,271	2,571,838	1,256,192	786,183
2007	7,271,652	2,203,392	2,718,448	1,267,688	1,082,124

NET RAILWAY OPERATING INCOME

The "As Reported" net railway operating income (NROI) is operating revenues minus the sum of operating expenses, current and deferred taxes, and rents for equipment and joint facilities. NROI does not include non-operating income and expenses and fixed charges (interest expenses).

The "Revenue Adequacy" NROIs, beginning 1985, are based on procedures promulgated by the ICC in Ex Parte No. 393, *Standards for Revenue Adequacy*, which adopted the use of depreciation accounting in lieu of Retirement, Replacement, Betterment. Since 1988, NROI includes the following items which were adopted by the *Standards*: (1) NROIs of affiliated Class II and III railroads as well as other affiliates which meet certain requirements; (2) an adjustment to exclude tax expenses not related to rail operations; (3) the inclusion of certain interest income; and (4) the gain (or loss) from certain land or segment sales, reclassifications or transfers from rail to non-rail operations.

(Amounts shown in thousands)

Year	As Reported	Revenue Adequacy
1955	\$1,127,997	-
1960	584,016	-
1965	961,516	-
1970	485,854	-
1975	350,682	-
1980	1,338,551	-
1985	1,746,386	\$1,727,759
1990	2,648,258	3,060,097
1995	2,857,691	3,134,392
1998	3,698,457	4,054,892
1999	4,046,939	4,022,270
2000	3,923,995	4,145,835
2001	4,111,377	4,378,228
2002	4,247,712	4,603,716
2003	4,078,120	4,210,832
2004	4,146,876	4,295,301
2005	6,075,280	6,278,193
2006	7,559,597	7,819,912
2007	7,765,051	8,029,100

RATE OF RETURN ON NET INVESTMENT

The rate of return on net investment (ROI) represents the ratio of net railway operating income (NROI) to average net investment in transportation property. For years prior to 1985, ROIs are based on Class I railroad annual reports to the Interstate Commerce Commission. In 1985 and subsequent years, ROIs are based on the STB's revenue adequacy standards, which have resulted in adjustments to NROI and average net investment. The adjustments are discussed on pages 17 and 43.

Year	United States	East	West
1929	5.30 %	5.63 %	4.85 %
1939	2.56	3.07	1.85
1947	3.44	3.15	3.82
1955	4.22	4.49	3.86
1960	2.13	1.91	2.40
1965	3.69	3.50	3.87
1970	1.73	0.68	3.02
1975	1.20	n.m.	2.65
1980	4.22	2.78	5.56
1985	4.58	3.92	5.25
1990	8.11	7.90	8.30
1995	7.04	8.04	6.24
1996	9.36	10.19	8.79
1997	7.56	9.03	6.67
1998	7.00	8.72	5.96
1999	6.93	5.32	7.81
2000	6.48	4.72	7.67
2001	6.85	6.12	7.33
2002	7.04	6.34	7.51
2003	6.33	6.04	6.52
2004	6.12	7.49	5.16
2005	8.46	9.28	7.87
2006	10.17	10.79	9.72
2007	9.87	10.33	9.55

REGULATORY COST OF CAPITAL

Year	Debt	Equity	Total	Capital Structure	
				Debt	Equity
1978	8.40 %	13.00 %	11.20 %	40.00 %	60.00 %
1979	9.00	13.50	11.70	40.00	60.00
1980	10.00	13.50	12.10	40.00	60.00
1981	13.70	18.30	16.50	40.00	60.00
1982	14.00	19.80	17.70	37.00	63.00
1983	11.70	16.80	15.30	29.40	70.60
1984	12.80	17.30	15.80	33.90	66.10
1985	11.10	14.56	13.60	28.80	71.20
1986	8.90	13.28	11.70	34.80	65.20
1987	9.30	12.57	11.60	30.60	69.40
1988	9.70	12.65	11.70	31.00	69.00
1989	9.70	12.36	11.50	31.80	68.20
1990	9.80	12.85	11.80	34.70	65.30
1991	8.80	12.75	11.60	30.20	69.80
1992	7.70	12.85	11.40	27.80	72.20
1993	6.90	12.95	11.40	25.70	74.30
1994	7.90	13.58	12.20	23.90	76.10
1995	7.40	13.23	11.70	26.00	74.00
1996	7.40	13.69	11.90	28.00	72.00
1997	7.20	13.79	11.80	29.67	70.33
1998	6.64	12.96	10.70	36.01	63.99
1999	7.20	12.72	10.80	35.50	64.50
2000	8.00	13.55	11.00	45.40	54.60
2001	6.90	12.55	10.22	41.80	58.20
2002	6.00	12.38	9.80	41.20	58.80
2003	5.00	12.70	9.40	42.80	57.20
2004	5.25	13.16	10.10	38.50	61.50
2005	5.36	15.18	12.20	30.41	69.59
2006	5.97	11.13	9.94	23.05	76.95
2007	6.15	12.68	11.33	20.68	79.32

* The STB changed its method for calculating the cost of common equity from a Discounted Cash Flow to a Capital Asset Pricing Model, effective with the 2006 decision.

ORDINARY INCOME

Ordinary income is defined as net operating revenue (operating revenue less operating expenses), plus net other income, less fixed charges, less unusual or infrequent items, and less income taxes.

(Amounts shown in thousands)

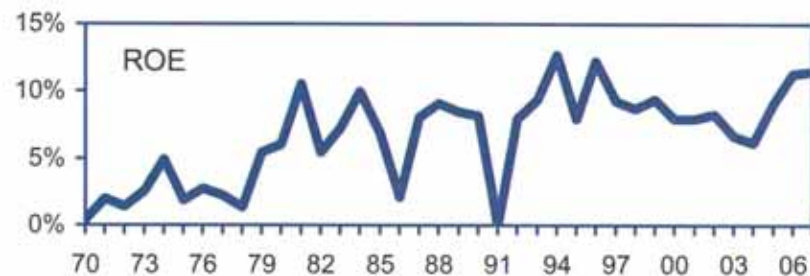
Year	United States	East	West
1929	\$ 896,807	\$ 560,038	\$ 336,769
1939	93,182	122,074	(28,892)
1944	667,188	363,459	303,729
1947	478,875	216,370	262,505
1955	927,122	503,093	424,029
1960	444,640	162,663	281,977
1965	814,629	367,942	446,687
1970	226,583	(116,783)	343,366
1975	144,362	(156,013)	300,375
1980	1,129,392	400,670	728,722
1985	1,788,151	779,626	1,008,525
1990	1,961,127	1,262,792	698,335
1995	2,438,999	1,325,305	1,113,694
1996	3,885,282	1,785,913	2,099,369
1997	3,155,655	1,524,864	1,630,791
1998	2,806,717	1,485,005	1,321,712
1999	2,976,484	841,625	2,134,859
2000	2,501,356	391,459	2,109,897
2001	2,740,217	639,668	2,100,549
2002	3,201,404	744,994	2,456,410
2003	2,682,875	536,723	2,146,152
2004	2,867,257	1,260,426	1,606,831
2005	4,916,536	2,091,819	2,824,717
2006	6,482,025	2,599,727	3,882,298
2007	6,797,225	2,650,625	4,146,600

RATE OF RETURN ON SHAREHOLDERS' EQUITY

The rate of return on shareholders' equity (ROE) is the ratio of net income (after income from outside sources, payment of fixed charges, adjustment for extraordinary items, and cumulative effect of changes in accounting principles) to shareholders' equity (the sum of capital stock, additional paid-in capital, and retained earnings).

(Amount shown in thousands)

Year	Net Income	Average Shareholders' Equity	Average Rate of Return on Equity
1960	\$ 444,639	\$17,312,733	2.57 %
1965	814,628	17,746,696	4.59
1970	76,179	17,546,055	0.43
1975	278,819	14,943,468	1.87
1980	1,129,392	18,777,051	6.01
1985	1,881,522	27,528,127	6.83
1990	1,977,411	24,170,700	8.18
1995	2,323,914	29,310,029	7.93
1998	2,806,717	32,282,873	8.69
1999	2,970,964	31,727,071	9.36
2000	2,500,226	31,439,145	7.95
2001	2,739,835	34,439,283	7.96
2002	3,201,404	38,655,043	8.28
2003	2,686,683	40,412,680	6.65
2004	2,867,257	46,553,562	6.16
2005	4,916,536	53,891,919	9.12
2006	6,482,025	57,373,710	11.30
2007	6,797,225	59,166,717	11.49



NET WORKING CAPITAL

Net working capital is calculated by deducting current liabilities, including debt due within one year, from current assets, which includes the materials and supplies accounts.

(Amounts shown in millions)

Year	Current Assets	Current Liabilities	Net Working Capital
1929	\$1,718	\$1,201	\$ 517
1939	1,293	2,556	(1,263)
1944	4,488	2,844	1,644
1947	3,576	1,943	1,633
1955	3,738	2,138	1,600
1960	2,909	2,231	678
1965	3,183	2,526	657
1970	3,583	3,524	59
1975	4,641	4,573	68
1980	8,678	7,756	922
1985	9,350	8,267	1,084
1990	5,699	9,204	(3,505)
1995	7,017	9,651	(2,634)
1996	7,033	9,975	(2,942)
1997	6,406	9,841	(3,434)
1998	5,780	10,223	(4,443)
1999	4,623	9,458	(4,834)
2000	3,954	9,737	(5,783)
2001	4,598	10,880	(6,282)
2002	4,347	10,385	(6,037)
2003	5,204	11,954	(6,750)
2004	7,194	12,365	(5,171)
2005	8,760	13,488	(4,729)
2006	8,251	12,712	(4,461)
2007	8,021	13,504	(5,482)

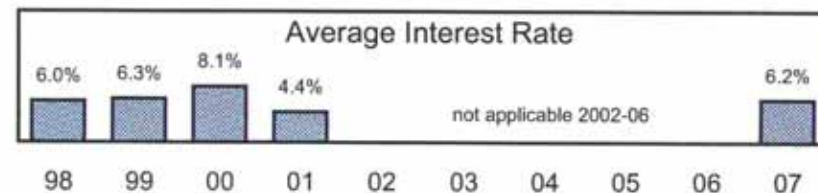
EQUIPMENT OBLIGATIONS

Although railroads issued new equipment obligations in 2007, very few (mostly known as equipment trust certificates) have been issued since 2001. Railroads have instead relied on more conventional debt instruments, and leasing agreements, to acquire new equipment.

(Dollars shown in millions)

Year	Issued During Year	Outstanding at End of Year	Average Interest Rate on New Debt
1955	\$279.8	\$2,532.2	3.07 %
1960	298.2	2,352.5	4.52
1965	803.5	2,771.4	4.55
1970	676.4	3,913.3	8.78
1975	1,035.5	4,669.1	8.85
1980	1,043.4	6,164.1	12.24
1985	569.8	4,352.9	11.24
1990	95.8	2,838.7	9.50
1995	115.5	2,427.2	7.05
1998	138.0	2,837.6	5.98
1999	565.6	2,824.5	6.33
2000	189.7	2,745.0	8.10
2001	174.4	2,455.5	4.42
2002	0.0	2,099.9	n/a
2003	0.0	1,913.7	n/a
2004	0.0	1,539.2	n/a
2005	0.0	1,363.4	n/a
2006	0.0	1,072.0	n/a
2007	475.1	1,235.6	6.24

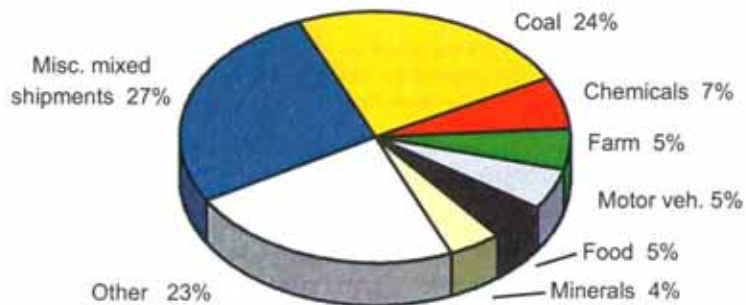
Note: Average interest rates prior to 1989 are based on "Analytical Record of Yields and Yield Spreads," Salomon Brothers, Inc. Figures for 1990 through 2007 are based on an AAR survey. "n/a" indicates not applicable because there was no new debt.



CARLOADS ORIGINATED

Year	United States	East	West
1929	36,821,868	22,991,388	13,830,480
1939	24,119,098	15,448,912	8,670,186
1944	36,540,944	22,615,873	13,925,071
1947	36,966,971	23,335,585	13,631,386
1955	32,761,707	20,135,326	12,626,381
1960	27,886,950	16,746,199	11,140,751
1965	28,344,381	17,639,252	10,705,129
1970	27,015,020	16,374,725	10,640,295
1975	22,929,843	13,527,350	9,402,493
1980	22,223,000	12,231,371	9,991,629
1985	19,501,242	10,828,217	8,673,025
1990	21,401,246	11,015,518	10,385,728
1995	23,726,164	11,265,933	12,460,231
1998	25,704,975	11,534,089	14,170,886
1999	27,096,202	12,248,881	14,847,321
2000	27,762,747	12,702,116	15,060,631
2001	27,205,415	12,148,474	15,056,941
2002	27,901,367	12,587,600	15,313,767
2003	28,870,049	12,761,665	16,108,384
2004	30,094,796	13,244,436	16,850,360
2005	31,142,217	13,753,464	17,388,753
2006	32,114,399	13,902,464	18,211,935
2007	31,458,931	13,499,907	17,959,024

Carloads Originated - 2007



CARLOADS ORIGINATED BY COMMODITY

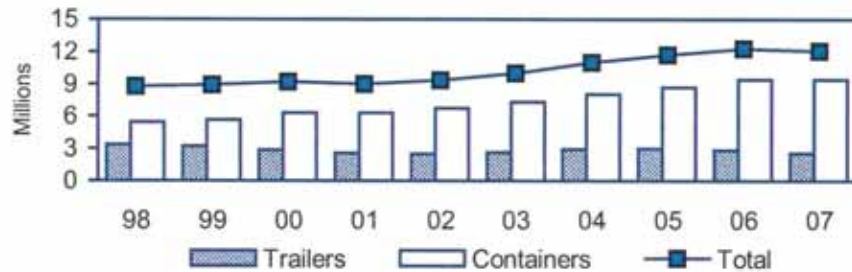
Class I carloadings for 2007 were 2.0 percent lower than the previous year. Coal carloadings, at their second-highest level ever, were lower in part because most of the stockpile replenishment made during 2006 by power plants was not necessary in 2007. Decreases for Miscellaneous Mixed Shipments*, Motor Vehicles, and Lumber & Wood were tied to the residential housing slump, higher fuel prices, and the slowdown in the economy.

(Carloads shown in thousands)

Commodity Group	Carloads		Change	
	2007	2006	Cars	Percent
Misc. mixed shipments*	8,465	8,536	(71)	(0.8)
Coal	7,480	7,574	(94)	(1.2)
Chemicals & allied products	2,069	1,969	99	5.1
Farm products	1,681	1,590	91	5.7
Motor vehicles & equipment	1,639	1,714	(75)	(4.4)
Food & kindred products	1,493	1,487	7	0.4
Non-metallic minerals	1,398	1,470	(73)	(4.9)
Waste & scrap material	726	701	25	3.6
Metals & products	721	778	(57)	(7.3)
Petroleum & coke	671	663	8	1.2
Metallic ores	662	674	(12)	(1.8)
Pulp, paper & allied products	652	671	(19)	(2.8)
Stone, clay & glass products	513	570	(56)	(9.9)
Lumber & wood products	456	548	(92)	(16.7)
Forwarder & shipper association traffic	246	276	(31)	(11.1)
All other carloads	2,588	2,896	(308)	(10.6)
Total carloads originated	31,459	32,114	(655)	(2.0)

* The miscellaneous mixed shipments category (STCC 46) is mostly intermodal traffic. Some intermodal traffic is also included in commodity-specific categories.

INTERMODAL TRAFFIC



Year	Trailers & Containers	Trailers	Containers
1965	1,664,929	n.a.	n.a.
1970	2,363,200	n.a.	n.a.
1975	2,238,117	n.a.	n.a.
1980	3,059,402	n.a.	n.a.
1985	4,590,952	n.a.	n.a.
1990	6,206,782	3,451,953	2,754,829
1995	7,936,172	3,492,463	4,443,709
1996	8,143,258	3,302,128	4,841,130
1997	8,698,308	3,453,907	5,244,401
1998	8,772,663	3,353,032	5,419,631
1999	8,907,626	3,207,407	5,700,219
2000	9,176,890	2,888,630	6,288,260
2001	8,935,444	2,603,423	6,332,021
2002	9,312,360	2,531,338	6,781,022
2003	9,955,605	2,625,837	7,329,768
2004	10,993,662	2,928,123	8,065,539
2005	11,693,512	2,979,906	8,713,606
2006	12,282,221	2,882,699	9,399,522
2007 ^p	12,026,660	2,600,651	9,426,009

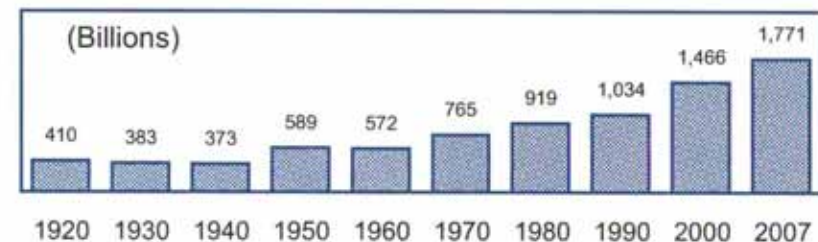
^p - preliminary n.a. - not available Figures for all years contain some non-Class I railroads.
Source: AAR Weekly Railroad Traffic. Each year is defined as 52 weeks.

* Beginning in 1995, data exclude two Class I railroads, GTW and SOO. Originated trailers and containers in 1995 for those two railroads are 13,966 (GTW) and 122,777 (SOO). Beginning in 1999, data exclude Illinois Central; and beginning 2002, Wisconsin Central is excluded. In 1999, IC originated 134,145 trailers and containers; and in 2002, Wisconsin Central originated 37,270 trailers and containers.

REVENUE TON-MILES

(Amounts shown in millions)

Year	United States	East	West
1929	447,322	286,584	160,738
1939	333,438	211,570	121,868
1944	737,246	428,096	309,150
1947	654,728	383,210	271,518
1955	623,615	347,146	276,469
1960	572,309	305,422	266,887
1965	697,878	376,314	321,564
1970	764,809	394,500	370,309
1975	754,252	358,169	396,083
1980	918,958	372,021	546,937
1985	876,984	340,314	536,670
1990	1,033,969	368,924	665,045
1995	1,305,688	410,621	895,067
1996	1,355,975	413,603	942,372
1997	1,348,926	431,706	917,220
1998	1,376,802	433,647	943,155
1999	1,433,461	429,804	1,003,657
2000	1,465,960	446,620	1,019,341
2001	1,495,472	447,031	1,048,442
2002	1,507,011	457,286	1,049,725
2003	1,551,438	468,383	1,083,054
2004	1,662,598	501,609	1,160,989
2005	1,696,425	504,226	1,192,199
2006	1,771,897	512,012	1,259,885
2007	1,770,545	498,129	1,272,416

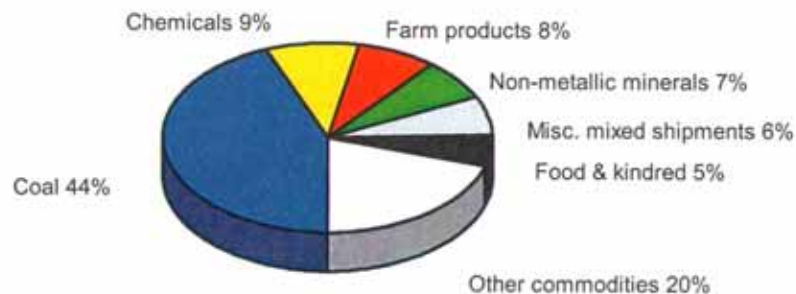


TONS ORIGINATED

(Amounts shown in thousands)

Year	United States	East	West
1929	1,339,091	872,186	466,905
1939	901,669	604,396	297,273
1944	1,491,491	963,561	527,930
1947	1,537,546	1,005,498	532,048
1955	1,396,339	877,935	518,404
1960	1,240,654	762,673	477,981
1965	1,387,423	875,765	511,658
1970	1,484,919	909,135	575,784
1975	1,395,055	816,279	578,776
1980	1,492,414	806,296	686,118
1985	1,319,794	723,250	596,544
1990	1,424,880	746,984	677,897
1995	1,549,634	737,791	811,843
1996	1,610,941	724,595	886,347
1997	1,585,244	722,540	862,704
1998	1,648,665	747,617	901,048
1999	1,716,859	768,069	948,790
2000	1,738,383	794,795	943,588
2001	1,741,967	771,694	970,272
2002	1,766,671	788,054	978,617
2003	1,799,066	789,538	1,009,528
2004	1,844,202	805,762	1,038,439
2005	1,898,721	844,749	1,053,972
2006	1,956,572	852,234	1,104,338
2007	1,939,738	837,351	1,102,388

Tons Originated - 2007



TONS ORIGINATED AND REVENUE BY COMMODITY - 2007

Tonnage decreased 0.9 percent from the record set in 2006. Although this was the first tonnage decrease since 1997, total tonnage was still at its second-highest level ever. With the exception of Chemicals and Farm Products, nearly every other category decreased in tonnage.

Coal continued to be the largest single commodity group in terms of revenue. Intermodal traffic – comprised of nearly all of the miscellaneous mixed shipments plus portions of other commodities (especially the All Other category) – passed coal in 2003 to account for the most revenue. However, coal nearly retook the lead in 2007, and has a chance to lead in 2008.

Commodity Group	Tons Originated		Revenue	
	(000)	% of Total	(millions)	% of Total
Coal	849,630	43.8 %	\$11,471	21.0 %
Chemicals & allied prod.	177,612	9.2	6,885	12.6
Farm products	152,242	7.8	4,529	8.3
Non-metallic minerals	137,556	7.1	1,527	2.8
Misc. mixed shipments*	124,531	6.4	7,863	14.4
Food & kindred products	105,457	5.4	4,041	7.4
Metallic ores	59,162	3.1	542	1.0
Metals & products	57,046	2.9	2,353	4.3
Petroleum & coke	56,262	2.9	1,797	3.3
Stone, clay & glass prod.	48,115	2.5	1,607	2.9
Waste & scrap materials	48,034	2.5	1,276	2.3
Lumber & wood products	36,152	1.9	1,987	3.6
Pulp, paper & allied prod.	35,269	1.8	2,100	3.8
Motor vehicles & equip.	31,682	1.6	4,016	7.3
All other commodities	20,989	1.1	2,642	4.8
Total	1,939,738	100.0 %	\$54,637	100.0 %

Note: The total revenue shown here does not match freight revenue shown elsewhere in this publication. The commodity-specific revenue identified above does not include adjustments for revenue absorption and corrections.

* Miscellaneous mixed shipments (STCC 46) is almost all intermodal traffic, and accounts for about two-thirds of intermodal tonnage. Some intermodal traffic is also included in commodity-specific categories.

FREIGHT REVENUE PER TON-MILE AND PER TON

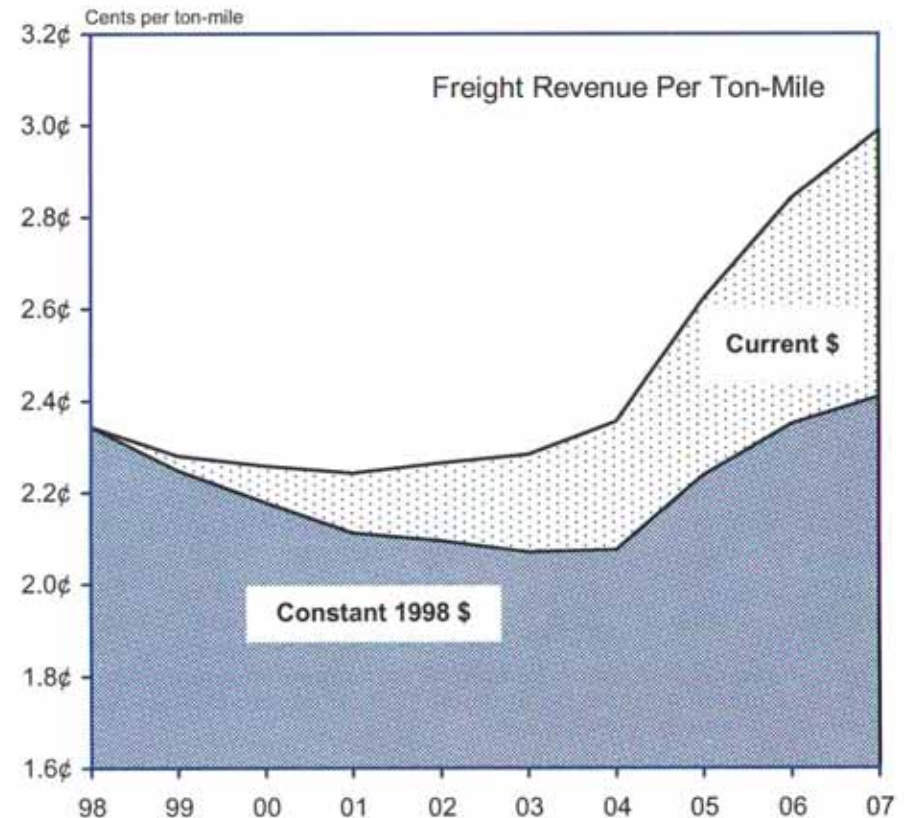
Freight revenue per ton is calculated by dividing freight revenue by total tons originated. Freight revenue per ton-mile, which is calculated by dividing freight revenue by total revenue freight ton-miles, is often viewed as a surrogate for railroad rates. While this standard does not precisely measure rates because it is affected by changes in traffic composition and length of haul, it does record the level of revenue received by railroads for providing the basic transportation service, which is the hauling of weight over distance.

<u>Year</u>	<u>Revenue Per Ton-Mile</u>	<u>Revenue Per Ton Originated</u>
1929	1.076 ¢	\$ 3.60
1939	0.973	3.61
1944	0.949	4.69
1947	1.076	4.58
1960	1.403	6.47
1970	1.428	7.36
1980	2.867	17.66
1990	2.657	19.28
1995	2.401	20.23
1996	2.352	19.79
1997	2.396	20.39
1998	2.342	19.56
1999	2.280	19.03
2000	2.257	19.03
2001	2.242	19.25
2002	2.263	19.31
2003	2.283	19.68
2004	2.354	21.22
2005	2.621	23.41
2006	2.840	25.72
2007	2.990	27.29

FREIGHT REVENUE PER TON-MILE IN CURRENT AND CONSTANT 1998 DOLLARS

<u>Year</u>	<u>Current</u>	<u>Constant</u>
1998	2.342 ¢	2.342 ¢
1999	2.280	2.247
2000	2.257	2.177
2001	2.242	2.112
2002	2.263	2.096
2003	2.283	2.070
2004	2.354	2.075
2005	2.621	2.237
2006	2.840	2.348
2007	2.990	2.407

Note: Constant dollar figures are derived using the implicit price deflator for GDP.



U.S. REVENUE FREIGHT TON-MILE DISTRIBUTION BY MODE

(Amounts shown in billions)

Year	Railroads	Trucks	Domestic Water	Oil Pipe- lines	Air	Total
1980	932	630	922	588	5	3,076
1990	1,064	849	834	584	10	3,341
1997	1,391	1,111	707	617	14	3,839
1998	1,448	1,140	673	620	14	3,895
1999	1,504	1,176	656	618	15	3,968
2000	1,546	1,193	646	577	16	3,978
2001	1,599	1,213	622	576	13	4,024
2002	1,606	1,246	612	586	14	4,063
2003	1,604	1,265	606	590	15	4,080
2004	1,684	1,282	621	600	16	4,203
2005	1,734	1,292	591	608	16	4,240
2006	1,853	1,294	562	585	15	4,309

Percent of Total

1980	30.3 %	20.5 %	30.0 %	19.1 %	0.2 %	100.0 %
1990	31.9	25.4	24.9	17.5	0.3	100.0
1997	36.2	28.9	18.4	16.1	0.4	100.0
1998	37.2	29.3	17.3	15.9	0.4	100.0
1999	37.9	29.6	16.5	15.6	0.4	100.0
2000	38.9	30.0	16.2	14.5	0.4	100.0
2001	39.7	30.2	15.5	14.3	0.3	100.0
2002	39.5	30.7	15.1	14.4	0.3	100.0
2003	39.3	31.0	14.9	14.5	0.4	100.0
2004	40.1	30.5	14.8	14.3	0.4	100.0
2005	40.9	30.5	13.9	14.3	0.4	100.0
2006	43.0	30.0	13.0	13.6	0.4	100.0

Notes: Figures are mostly intercity ton-miles, but some intra-city are included. Data for natural gas pipelines are not included in this table. Figures for railroads include non-Class I railroads. The latest year available is 2006.

Source: *National Transportation Statistics 2008*, Table 1-46b, Bureau of Transportation Statistics updated October 10, 2008

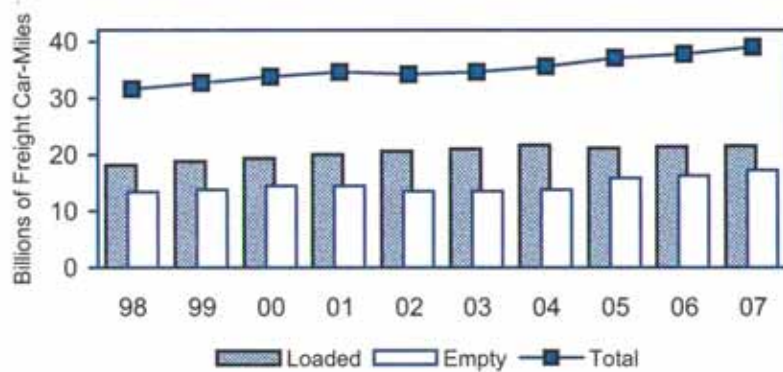
FREIGHT TRAIN-MILES

A train-mile is the movement of a train the distance of one mile. Train-miles are based on the distance run between terminals and/or stations.

(Amounts shown in thousands)

Year	United States	East	West
1929	613,444	352,104	261,340
1939	451,991	249,255	202,736
1944	698,761	381,713	317,048
1947	616,071	333,263	282,808
1955	476,444	247,493	228,951
1960	404,464	200,200	204,264
1965	420,962	208,367	212,595
1970	427,065	206,096	220,969
1975	402,557	183,855	218,702
1980	428,498	177,737	250,761
1985	347,292	140,389	206,903
1990	379,582	135,906	243,675
1995	458,271	163,539	294,732
1996	468,792	168,080	300,712
1997	474,954	168,726	306,228
1998	474,947	172,589	302,358
1999	490,442	173,950	316,492
2000	504,001	185,009	318,992
2001	499,546	181,486	318,059
2002	499,668	178,948	320,721
2003	515,999	185,050	330,949
2004	534,696	191,159	343,538
2005	547,566	194,172	353,394
2006	562,607	198,064	364,543
2007	543,475	190,782	352,693

FREIGHT CAR-MILES



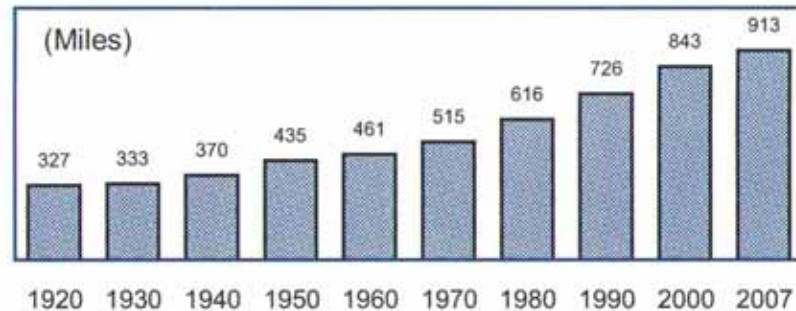
(Amounts shown in millions)

Year	United States	East	West
1929	29,142	17,279	11,863
1939	21,782	12,589	9,193
1944	36,620	20,446	16,174
1947	32,201	17,662	14,539
1955	31,198	16,161	15,037
1960	28,170	14,173	13,997
1965	29,336	14,958	14,378
1970	29,890	14,648	15,242
1975	27,656	12,833	14,823
1980	29,277	12,009	17,268
1985	24,920	10,325	14,595
1990	26,159	10,036	16,124
1995	30,383	10,648	19,735
1998	32,657	11,082	21,576
1999	33,851	11,037	22,814
2000	34,590	11,474	23,116
2001	34,243	10,996	23,247
2002	34,680	11,155	23,525
2003	35,555	11,288	24,267
2004	37,071	11,573	25,498
2005	37,712	11,809	25,904
2006	38,955	11,973	26,982
2007	38,186	11,533	26,653

AVERAGE CARS PER FREIGHT TRAIN

Year	United States	East	West
1929	47.6	49.1	45.5
1939	48.1	50.5	45.3
1944	52.3	53.6	50.9
1947	52.2	53.0	51.3
1955	65.5	65.3	65.6
1960	69.6	70.8	68.4
1965	69.6	71.8	67.6
1970	70.0	71.1	69.0
1975	68.6	69.8	67.7
1980	68.3	67.6	68.9
1985	71.8	73.5	70.5
1990	68.9	73.8	66.2
1995	66.3	65.1	67.0
1996	67.7	64.0	69.7
1997	66.7	64.8	67.7
1998	68.8	64.2	71.4
1999	69.0	63.5	72.1
2000	68.6	62.0	72.5
2001	68.5	60.6	73.1
2002	69.4	62.3	73.4
2003	68.9	61.0	73.3
2004	69.3	60.5	74.2
2005	68.9	60.8	73.3
2006	69.2	60.5	74.0
2007	70.3	60.5	75.6

AVERAGE LENGTH OF HAUL



<u>Year</u>	<u>Avg. Length of Haul (miles)</u>
1929	334.1
1939	369.8
1944	223.6
1947	479.5
1955	446.6
1960	461.3
1965	503.0
1970	515.1
1975	540.7
1980	615.8
1985	664.5
1990	725.7
1995	842.6
1996	841.7
1997	850.9
1998	835.1
1999	834.9
2000	843.3
2001	858.5
2002	853.0
2003	862.4
2004	901.5
2005	893.5
2006	905.6
2007	912.8

AVERAGE TONS PER TRAIN LOAD AND PER CARLOAD

The average freight train carried 3,274 tons of freight in 2007, eclipsing record set in 2006. The average represents net ton-miles per freight train-mile. The average cargo weight per loaded car was 61.7 tons in 2007, reflecting the growth of more-dense traffic such as grain and chemicals.

<u>Year</u>	<u>Average Tons Per</u>	
	<u>Train Load</u>	<u>Carload</u>
1929	804	35.4
1939	806	36.8
1944	1,124	40.3
1947	1,131	41.0
1955	1,359	42.4
1960	1,453	44.4
1965	1,685	48.9
1970	1,820	54.9
1975	1,938	60.8
1980	2,222	67.1
1985	2,574	67.7
1990	2,755	66.6
1995	2,870	65.3
1996	2,912	66.6
1997	2,861	63.4
1998	2,923	64.1
1999	2,947	63.4
2000	2,923	62.6
2001	3,005	64.0
2002	3,030	63.3
2003	3,024	62.3
2004	3,126	61.3
2005	3,115	61.0
2006	3,163	60.9
2007	3,274	61.7

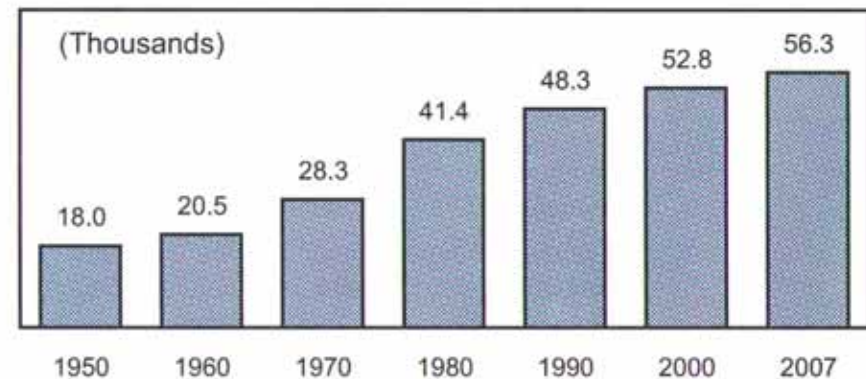
NET TON-MILES PER TRAIN-HOUR

Net ton-miles per train-hour reflects both the number of tons hauled and the miles traveled during an average hour of a freight train's operation. Figures for 1980 and beyond are not directly comparable to earlier years because of an STB definitional change requiring the inclusion of terminal delay in counting train hours.

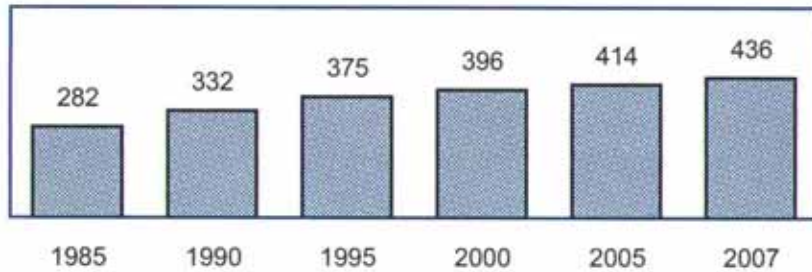
<u>Year</u>	<u>United States</u>	<u>East</u>	<u>West</u>
1929	10,580	10,601	9,568
1939	13,450	13,537	12,108
1944	17,623	17,811	17,470
1947	18,126	18,566	17,942
1955	25,314	24,489	25,985
1960	28,397	27,291	29,757
1965	33,815	31,975	36,228
1970	36,578	34,335	39,564
1975	38,778	34,628	43,764
1980	40,392	31,037	50,335
1985	56,343	44,709	67,392
1990	65,188	56,113	71,619
1995	62,652	48,889	71,917
1996	64,015	46,478	76,681
1997	55,080	46,896	59,983
1998	55,760	45,386	62,261
1999	59,390	44,545	69,195
2000	60,295	44,929	70,881
2001	61,802	48,199	70,235
2002	63,439	51,125	70,845
2003	60,356	48,226	67,681
2004	59,209	49,388	64,748
2005	57,806	47,494	63,624
2006	58,268	48,263	63,613
2007	62,725	49,194	70,276

REVENUE TON-MILES PER CARLOAD

<u>Year</u>	<u>United States</u>	<u>East</u>	<u>West</u>
1929	12,148	12,465	11,622
1939	13,825	13,695	14,056
1944	20,176	18,929	22,201
1947	17,711	16,422	19,919
1955	19,035	17,241	21,896
1960	20,522	18,238	23,956
1965	24,621	21,334	30,038
1970	28,311	24,092	34,803
1975	32,894	26,477	42,125
1980	41,352	30,415	54,740
1985	44,971	31,428	61,878
1990	48,313	33,491	64,035
1995	55,032	36,448	71,834
1998	53,562	37,597	66,556
1999	52,903	35,089	67,599
2000	52,803	35,161	67,682
2001	54,970	36,797	69,632
2002	54,012	36,328	68,548
2003	53,739	36,702	67,235
2004	55,245	37,873	68,900
2005	54,473	36,662	68,562
2006	55,175	36,829	69,179
2007	56,281	36,899	70,851



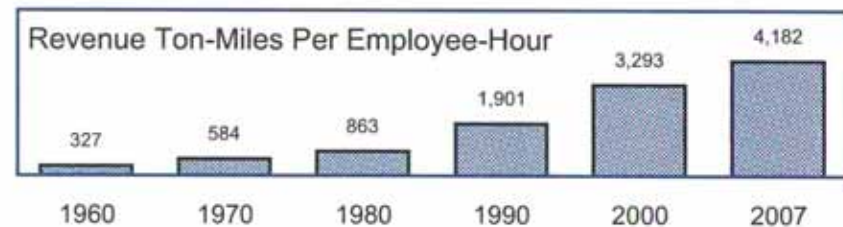
REVENUE TON-MILES PER GALLON OF FUEL CONSUMED



Year	Revenue Ton-Miles (millions)	Fuel Consumed in Freight Service (million gallons)	Revenue Ton-Miles Per Gallon of Fuel Consumed
1955	623,615	3,384	184
1960	572,309	3,463	165
1965	697,878	3,592	194
1970	764,809	3,545	216
1975	754,252	3,657	206
1980	918,958	3,904	235
1985	876,984	3,110	282
1990	1,033,969	3,115	332
1995	1,305,688	3,480	375
1996	1,355,975	3,579	379
1997	1,348,926	3,575	377
1998	1,376,802	3,583	384
1999	1,433,461	3,715	386
2000	1,465,960	3,700	396
2001	1,495,472	3,710	403
2002	1,507,011	3,730	404
2003	1,551,438	3,826	405
2004	1,662,598	4,059	410
2005	1,696,425	4,098	414
2006	1,771,897	4,192	423
2007	1,770,545	4,062	436

REVENUE TON-MILES PER EMPLOYEE AND EMPLOYEE-HOUR

Year	Freight Revenue Ton-Miles Per	
	Employee (millions)	Employee-Hour
1929	0.3	108
1939	0.4	141
1944	0.5	194
1947	0.5	191
1955	0.6	262
1960	0.8	327
1965	1.1	469
1970	1.4	584
1975	1.6	690
1980	2.1	863
1985	2.9	1,196
1990	4.8	1,901
1995	7.0	2,746
1996	7.5	2,965
1997	7.6	2,973
1998	7.8	2,955
1999	8.1	3,139
2000	8.7	3,293
2001	9.3	3,516
2002	9.6	3,651
2003	10.1	3,805
2004	10.6	3,908
2005	10.5	4,019
2006	10.6	4,059
2007	10.6	4,182



TRAFFIC DENSITY

Traffic density measures the average system-wide freight carrying utilization of the railroad track infrastructure. A higher figure indicates greater utilization efficiency, but can also signal the risk of congestion. Not shown is the additional demand for capacity caused by intercity and commuter passenger rail operations over freight railroads' track.

Year	Millions of Revenue Ton-Miles Per Owned Mile of	
	Road	Track
1955	2.95	1.78
1960	2.76	1.68
1965	3.49	2.15
1970	3.89	2.40
1975	3.94	2.43
1980	5.58	3.40
1985	6.02	3.62
1990	8.63	5.17
1991	8.91	5.30
1992	9.44	5.60
1993	10.05	5.95
1994	10.98	6.54
1995	12.06	7.24
1996	12.82	7.66
1997	13.21	7.82
1998	13.69	8.05
1999	14.42	8.48
2000	14.77	8.70
2001	15.29	8.94
2002	15.05	8.86
2003	15.65	9.18
2004	17.02	9.94
2005	17.70	10.33
2006	18.66	10.93
2007	18.75	10.99

RAILROAD NET INVESTMENT

The "As Reported" net investment figures prior to 1978 are based on year-end net investment in road and equipment, plus cash and materials and supplies. By order of the STB, since 1978 the figures have included net investment in road and equipment, less interest during construction and debits in other elements of investment, plus working capital allowance.

The "Revenue Adequacy" net investment figures since 1985 are based on procedures promulgated by the STB in Ex Parte No. 393, *Standards for Revenue Adequacy*. The *Standards* were revised in 1985 (to include the use of depreciation accounting in lieu of RRB for track structure investment and subtraction of accumulated deferred tax reserves from the net investment base) and in 1988 (to include in the investment base the net assets of any affiliated Class II and III railroads, and other affiliates meeting certain tests for inclusion.)

(Amounts shown in thousands)

Year	As Reported	Revenue Adequacy
1955	\$26,851,343	-
1960	27,474,089	-
1965	26,318,532	-
1970	28,186,077	-
1975	29,739,673	-
1980	33,419,097	-
1985	46,236,917	\$37,714,444
1990	48,126,335	37,751,481
1995	62,746,424	44,552,874
1998	78,832,294	57,947,955
1999	80,246,646	58,010,320
2000	82,147,069	64,020,146
2001	83,953,473	63,935,461
2002	91,121,032	65,368,585
2003	93,686,297	66,500,975
2004	106,169,927	70,235,396
2005	108,891,825	74,172,125
2006	112,556,490	76,914,389
2007	117,963,224	81,343,715

CAPITAL EXPENDITURES

Capital expenditures are often used to gauge capacity replenishment and expansion. Because capital expenditures include improvements to leased property and equipment, but exclude new long-term operating leases, they understate railroad spending, especially for new equipment such as locomotives and freight cars. Including the estimated value of new operating leases for locomotives, total capital commitments for 2007 were over \$580 million higher than the \$9.2 billion shown below.

(Amounts shown in thousands)

Year	Total	Roadway and Structures	Equipment
1955	\$ 909,521	\$ 341,319	\$ 568,202
1960	919,154	285,664	633,490
1965	1,630,687	327,084	1,303,603
1970	1,351,439	358,344	993,095
1975	1,789,725	486,417	1,303,308
1980	3,233,596	953,467	2,280,129
1985	4,422,903	3,458,015	964,888
1990	3,639,838	2,643,966	995,872
1995	5,994,368	3,651,464	2,342,904
1996	6,100,996	3,899,323	2,201,673
1997	6,266,330	4,120,768	2,145,562
1998	7,195,894	4,875,090	2,320,804
1999	6,628,973	4,445,525	2,183,448
2000	6,056,864	4,549,173	1,507,691
2001	5,434,345	4,421,406	1,012,939
2002	5,666,387	4,645,366	1,021,021
2003	5,860,898	4,561,274	1,299,624
2004	6,242,361	4,941,076	1,301,285
2005	6,390,132	5,363,899	1,026,233
2006	8,452,201	6,981,884	1,470,317
2007	9,156,987	6,944,316	2,212,671

MILES OF ROAD AND TRACK OWNED

Class I mileage has been declining for many years. (The increase in 2002 was caused by new STB consolidation rules.) While some miles that cannot be operated profitably have been abandoned, many former Class I miles have been sold or leased to non-Class I railroads, including some industrial and passenger railroads. Despite the decrease reflected in *total* miles of track, the number of track miles in high-density lanes has been increasing since the 1980s.

Miles of road owned is the aggregate length of roadway, excluding yard tracks and sidings, and does not reflect the fact that a mile of road may include two, three, or more parallel tracks. *Miles of track owned* includes multiple main tracks, yard tracks and sidings. Ownership is defined (on this page) as miles operated less trackage rights, and does not include mileage owned but not operated. Road does not match the Class I figure on page 3 because this page includes 127 miles in Canada.

Year	Miles Owned	
	Road	Track
1929	229,530	381,417
1939	220,915	364,174
1947	214,486	355,227
1955	211,459	350,217
1960	207,334	340,779
1970	196,479	319,092
1980	164,822	270,623
1990	119,758	200,074
1998	100,570	171,098
1999	99,430	168,979
2000	99,250	168,535
2001	97,817	167,275
2002	100,125	170,048
2003	99,126	169,069
2004	97,662	167,312
2005	95,830	164,291
2006	94,942	162,056
2007	94,440	161,114

RAILROAD MILEAGE BY STATE - 2007

Railroad mileage in each state is shown below. A total of 140,695 miles of road (a.k.a. route miles) are operated by freight railroads in the United States. Trackage rights, which enable more than one railroad to operate over the same track, have been excluded to eliminate double-counting. The mileage figures include 561 miles belonging to Canadian railroads that are not part of those railroads' U.S. Class I systems. Not shown are the 417 miles that U.S. railroads have in Canada and Mexico.

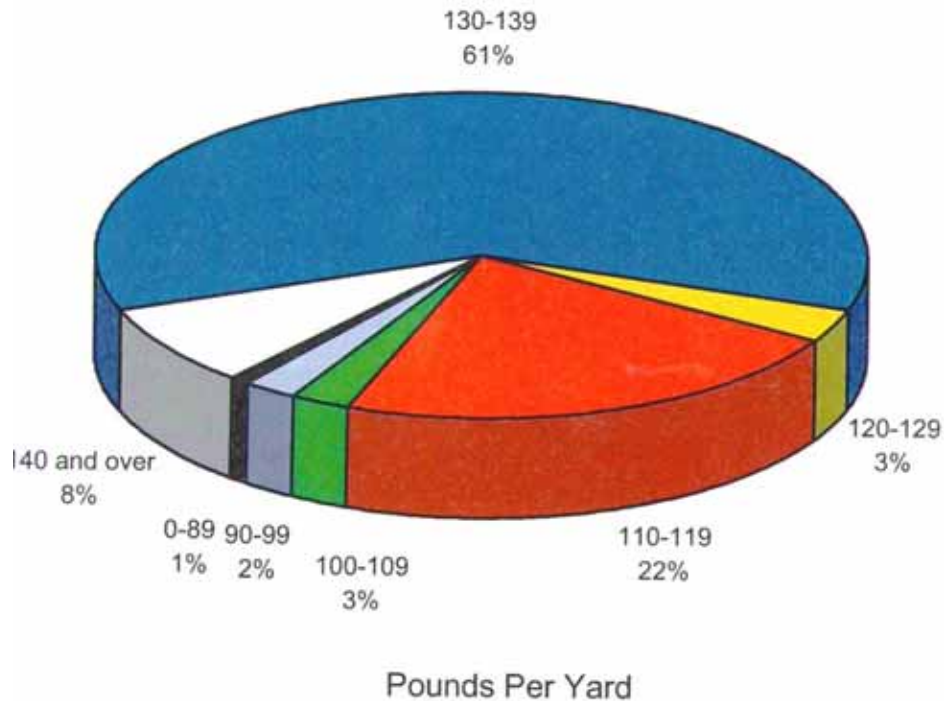
Alabama	3,295	Montana	3,224
Alaska	506	Nebraska	3,223
Arizona	1,751	Nevada	1,194
Arkansas	2,776	New Hampshire	416
California	5,330	New Jersey	990
Colorado	2,643	New Mexico	1,895
Connecticut	330	New York	3,565
Delaware	218	North Carolina	3,248
District of Columbia	23	North Dakota	3,478
Florida	2,859	Ohio	5,307
Georgia	4,775	Oklahoma	3,249
Hawaii	0	Oregon	2,384
Idaho	1,591	Pennsylvania	5,184
Illinois	7,336	Rhode Island	87
Indiana	4,446	South Carolina	2,269
Iowa	3,929	South Dakota	1,679
Kansas	4,851	Tennessee	2,649
Kentucky	2,558	Texas	10,804
Louisiana	2,855	Utah	1,421
Maine	1,165	Vermont	569
Maryland	757	Virginia	3,223
Massachusetts	1,069	Washington	3,210
Michigan	3,699	West Virginia	2,248
Minnesota	4,546	Wisconsin	3,503
Mississippi	2,435	Wyoming	1,856
Missouri	4,077	Total U.S.	140,695

NEW RAIL AND CROSSTIES LAID

New rail laid is a function of miles of track, miles of potential abandonment track, utilization (such as car-miles), available relay rail, quality of rail used, funding available, and the extent that new rail was laid in previous years. While the number of crossties laid is also affected by similar variables, time and weather are additional factors that affect crosstie installations.

<u>Year</u>	<u>New Rail Laid (tons)</u>	<u>Crossties Laid (thousands)</u>
1929	2,281,316	81,964
1939	991,896	46,410
1944	1,722,810	51,259
1947	1,639,746	40,206
1955	963,350	27,173
1960	382,277	16,417
1965	445,863	16,982
1970	548,505	19,611
1975	537,537	20,548
1980	881,783	25,984
1985	699,774	20,736
1990	338,867	14,309
1995	443,084	12,784
1998	653,612	12,185
1999	698,713	12,147
2000	689,992	11,454
2001	623,866	11,983
2002	584,942	13,416
2003	572,828	13,777
2004	471,426	13,813
2005	478,401	14,260
2006	517,678	15,519
2007	596,943	15,074

WEIGHT OF RAIL IN PLACE - 2007



Weight of Rail (pounds per yard)	Miles	Percent of Total	Cumulative Percent
150 and over	257	0.2 %	0.2 %
140-149	8,517	7.8	8.0
130-139	66,788	60.8	68.8
120-129	3,816	3.5	72.3
110-119	24,280	22.1	94.4
100-109	2,940	2.7	97.0
90-99	2,293	2.1	99.1
0-89	973	0.9	100.0
Total	109,864	100.0 %	-

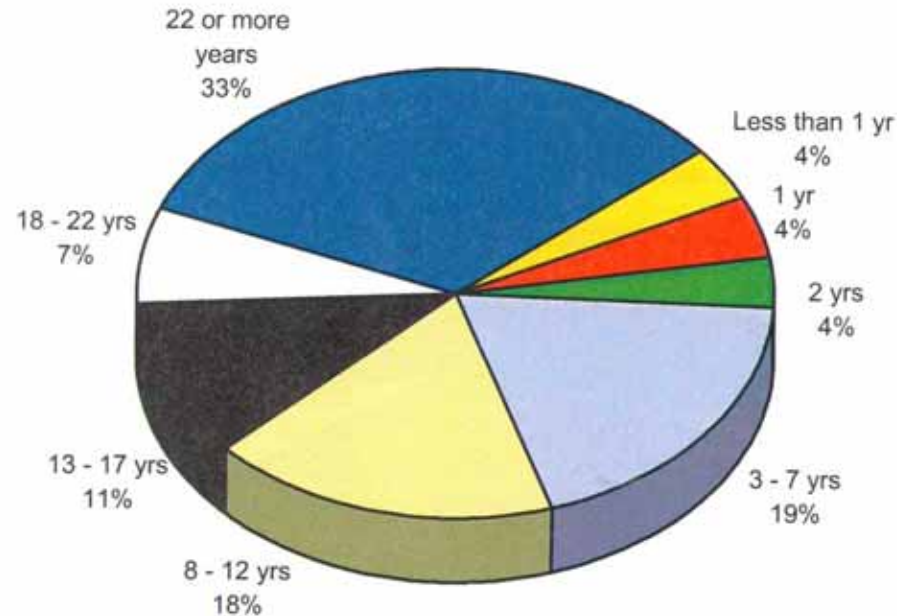
LOCOMOTIVES IN SERVICE

For the sixth consecutive year, Class I freight locomotive capacity has reached a new all-time high. The average horsepower per unit has increased 53 percent since 1980, and now measures 3,518 per unit. A large number of the locomotives were used for passenger service prior to 1975.

Year	Total	Diesel Electric Units	Steam	Electric Units
1929	57,559	22	56,936	601
1939	42,470	510	41,117	843
1944	43,593	3,049	39,681	863
1947	41,701	5,772	35,108	821
1955	31,395	24,786	5,982	627
1960	29,031	28,278	261	492
1965	27,780	27,389	29	362
1970	27,077	26,796	13	268
1975	27,846	27,667	12	167
1980	28,094	28,003	12	79
1985	22,548	22,548	0	0
1990	18,835	18,835	0	0
1995	18,812	18,810	0	0
1996	19,269	19,267	0	0
1997	19,684	19,682	0	0
1998	20,261	20,259	0	0
1999	20,256	20,254	0	0
2000	20,028	20,026	0	0
2001	19,745	19,743	0	0
2002	20,506	20,503	0	0
2003	20,774	20,772	0	0
2004	22,015	22,013	0	0
2005	22,779	22,779	0	0
2006	23,732	23,730	0	0
2007	24,143	24,143	0	0

Notes: Total includes locomotives that are not included in any other column, such as locomotives powered by LNG. Diesel Electric for 2007 includes 5,802 AC traction locomotives.

AGE OF LOCOMOTIVES



Age distribution of locomotive fleet as of December 31, 2007

Date Built*	Locomotives in Age Bracket	
	Number	Percent
Jan. 1, 2007 - Dec. 31, 2007	932	3.9 %
Jan. 1, 2006 - Dec. 31, 2006	1,097	4.5
Jan. 1, 2005 - Dec. 31, 2005	876	3.6
Jan. 1, 2000 - Dec. 31, 2004	4,618	19.1
Jan. 1, 1995 - Dec. 31, 1999	4,300	17.8
Jan. 1, 1990 - Dec. 31, 1994	2,718	11.3
Jan. 1, 1985 - Dec. 31, 1989	1,695	7.0
Before 1985	7,907	32.8
Total	24,143	100.0 %

* Disregards year of rebuilding.

FREIGHT CARS IN SERVICE

The U.S. freight car fleet is owned by railroads, shippers, and leasing companies. Portions of the Canadian and Mexican fleets (which currently total to about 210,000 cars) may also be used in the U.S., but are not listed in the table below.

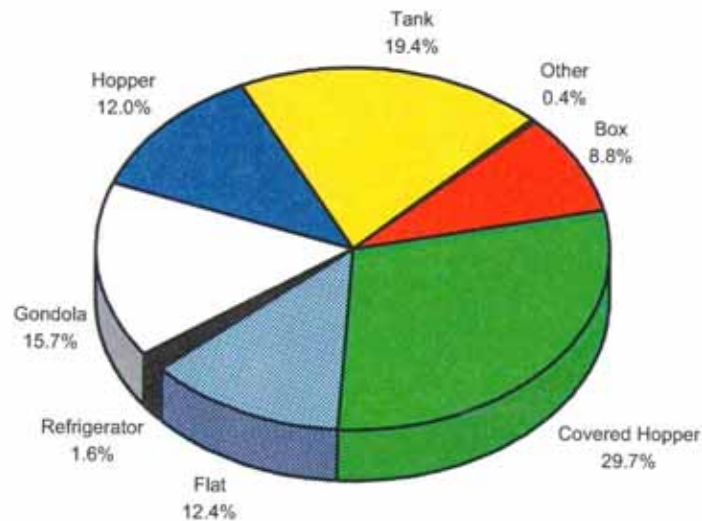
Railroad-owned TTX Company has one of the largest fleets available for lease, but only TTX cars leased on the first day of the following year are considered in service for a railroad. The remaining TTX cars in service are listed below in the Car Companies & Shippers category, and have been segregated beginning 1998.

Year	Total	Railroads	Car Companies & Shippers	
			TTX	Other
1929	2,610,662	2,323,683	n.a.	286,979
1939	1,961,705	1,680,519	n.a.	281,186
1944	2,067,948	1,797,012	n.a.	270,936
1947	2,025,008	1,759,758	n.a.	265,250
1960	1,965,486	1,690,396	Included in Other	275,090
1970	1,784,181	1,453,708		330,473
1980	1,710,827	1,270,275		440,552
1990	1,212,261	762,429		449,832
1998	1,315,667	697,263	51,227	567,177
1999	1,368,836	705,902	51,610	611,324
2000	1,380,796	692,602	52,572	635,622
2001	1,314,136	625,330	51,770	637,036
2002	1,299,670	608,341	51,585	639,744
2003	1,278,980	591,643	55,829	631,508
2004	1,287,920	593,942	59,478	634,500
2005	1,316,522 <i>r</i>	595,034	61,952	659,536
2006	1,361,250 <i>r</i>	596,103	61,556	703,591
2007	1,385,709	580,635	57,119	747,955

n.a. - not applicable r - revised

Note: Beginning with 2001 data, Canadian-owned U.S. railroads are excluded. The Canadian-owned railroads controlled over 46,000 freight cars in 2000. Additional U.S. railroads have been acquired by Canadian railroads since 2001, and their freight cars are excluded after each acquisition.

TYPES OF FREIGHT CARS - 2007



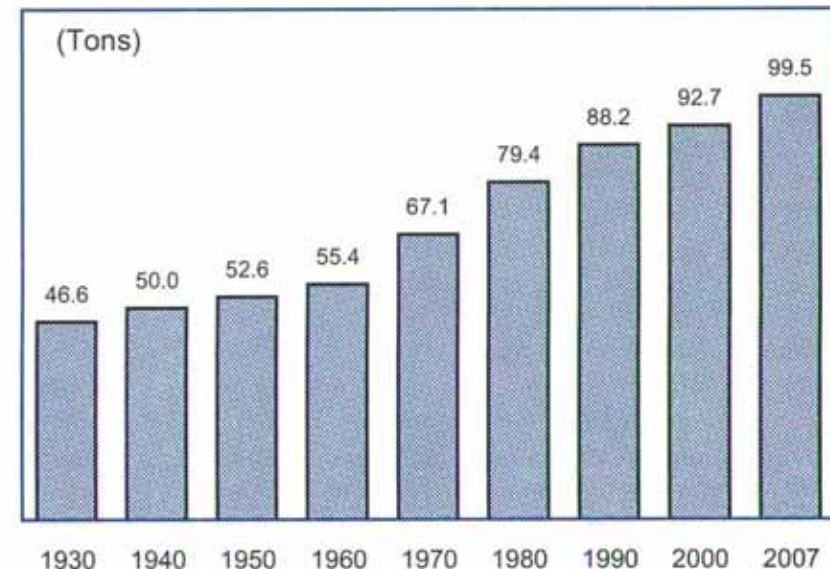
Total All Owners

Type	Total All Owners	Class I Railroads	Other Railroads	Car Companies and Shippers
Box cars:	121,570	68,776	39,638	13,156
Plain box	16,329	1,257	5,085	9,987
Equipped box	105,241	67,519	34,553	3,169
Covered hoppers	411,503	110,360	20,513	280,630
Flat cars	172,243	95,733	23,622	52,888
Refrigerator cars	22,092	16,361	2,457	3,274
Gondolas	217,775	98,129	21,941	97,705
Hoppers	166,421	68,799	11,240	86,382
Tank cars	269,076	1,033	21	268,022
Others	5,029	981	1,031	3,017
Total	1,385,709	460,172	120,463	805,074

See note on page 51.

AVERAGE FREIGHT CAR CAPACITY

Class I railroad average freight car capacity is calculated from annual report figures by dividing the total number of freight cars in service by the aggregate capacity of those cars. Average freight car capacity, which varies significantly by car type, changes as the capacity of cars changes and as the mix of freight cars in service changes.



Year	Tons	Year	Tons
1929	46.3	1995	89.0
1939	49.7	1997	91.8
1944	50.8	1998	92.5
1947	51.5	1999	91.4
1955	53.7	2000	92.7
1960	55.4	2001	93.1
1965	59.7	2002	93.4
1970	67.1	2003	95.9
1975	72.9	2004	94.9
1980	79.4	2005	97.2
1985	84.3	2006	98.8
1990	88.2	2007	99.5

COST OF NEW FREIGHT CARS

Year	All Freight Cars	Box Cars		Flat Cars	
		Plain	Equipped	General Service	Special Service
1970	\$17,163	\$13,355	\$20,912	\$15,534	\$22,275
1975	27,777	31,168	27,005	32,815	40,201
1980	44,547	45,586	53,209	46,440	49,935
1985	36,645	-	-	-	-
1990	43,782	-	-	-	53,530
1995	51,016	-	83,000	-	44,854
1998	48,191	-	79,589	-	40,460
1999	60,845	-	86,502	-	41,446
2000	49,891	-	84,047	-	43,149
2001	43,685	-	-	-	43,712
2002	54,000	-	-	-	54,000
2003	49,000	-	-	-	-
2004	72,005	-	-	-	57,950
2005	58,225	-	-	-	58,225
2006	84,242	-	-	-	-
2007	81,003	-	-	-	262,296

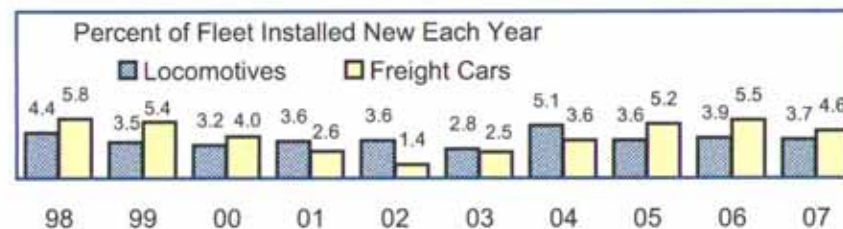
Year	Gondola Cars	Open Top Hoppers	Covered Hoppers	Refrig. Cars	Tank Cars
1975	27,076	25,834	26,480	42,553	\$22,300
1980	45,895	40,348	43,618	70,424	53,133
1985	37,091	38,340	33,196	-	-
1990	52,300	39,451	45,000	-	-
1995	60,497	47,959	48,216	-	-
1998	60,797	-	49,730	-	-
1999	63,687	-	-	-	-
2000	62,225	-	-	-	-
2001	-	-	36,750	-	-
2002	-	-	-	-	-
2003	49,000	-	-	-	-
2004	-	-	-	130,565	-
2005	-	-	-	-	-
2006	96,295	77,613	-	-	-
2007	76,710	-	70,771	-	-

Note: Variations in the average cost of freight cars from year to year relate, in part, to changes in the mix of car sub-types within each category and to differences in the features and capacities of the cars installed. Averages shown here are for Class I railroads, and exclude leases.

NEW AND REBUILT EQUIPMENT

The figures shown below for new freight cars include those installed by Class I railroads, other railroads, and private car owners. Beginning in 1995, new freight car figures include Canadian owners. Private car owners include shippers and car companies; some of the latter are railroad-owned. New and rebuilt locomotives, and rebuilt freight cars, include equipment of the U.S. Class I railroads only. In 2007, at least 208 new locomotives, not included below, were installed by Canadian and Mexican freight railroads.

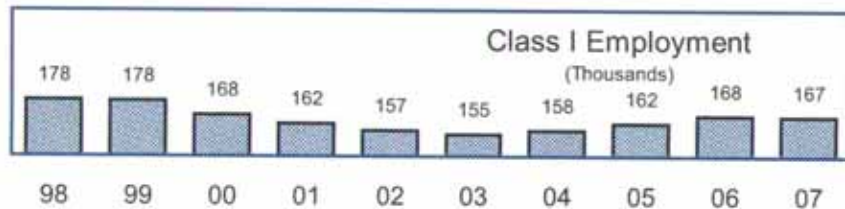
Year	Locomotive Units		Freight Cars	
	New	Rebuilt	New	Rebuilt
1955	1,097	22	29,070	5,263
1960	389	61	57,047	1,275
1965	1,387	16	77,822	11,825
1970	1,029	64	66,185	9,255
1975	772	38	72,392	1,953
1980	1,480	189	85,920	1,163
1985	522	144	12,080	0
1990	530	176	32,063	5,706
1995	928	201	60,853	5,199
1998	889	172	75,685	7,391
1999	709	156	74,223	3,678
2000	640	81	55,791	2,454
2001	710	45	34,260	1,215
2002	745	33	17,714	1,118
2003	587	34	32,184	971
2004	1,121	5	46,871	972
2005	827	84	68,612	1,542
2006	922	158	74,729	1,799
2007	902	167	63,156	2,040



EMPLOYMENT AND WAGES

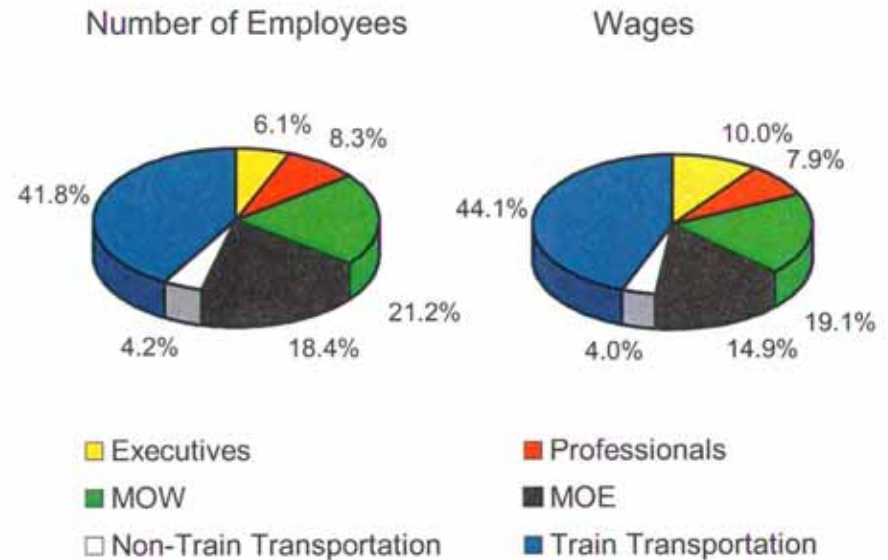
Year	Thousands of Employees		Class I		
	Railroad Industry*	Class I	Wages (\$000)	Avg. Wages Per Employee	
				Per Year	Per Hour
1929	-	1,661	\$ 2,896,566	\$ 1,743	\$ 0.67
1939	1,151	988	1,863,503	1,886	0.75
1944	1,670	1,414	3,853,245	2,726	0.96
1947	1,598	1,352	4,350,229	3,218	1.20
1955	1,239	1,058	4,993,662	4,719	1.99
1960	909	780	4,893,558	6,270	2.66
1965	753	640	4,793,066	7,490	3.06
1970	640	566	5,711,280	10,086	4.14
1975	548	488	7,474,750	15,324	6.39
1980	532	458	11,318,452	24,695	10.21
1985	372	302	10,563,033	34,991	14.30
1990	296	216	8,654,186	39,987	15.83
1995	265	188	9,069,696	48,188	18.99
1996	257	182	9,201,506	50,611	20.05
1997	253	178	9,235,302	51,889	20.28
1998	256	178	9,938,346	55,764	21.26
1999	256	178	9,602,659	54,082	20.96
2000	246	168	9,622,940	57,157	21.54
2001	238	162	9,429,802	58,153	22.09
2002	229	157	9,387,168	59,650	22.65
2003	225	155	9,576,127	61,920	23.40
2004	227	158	10,337,224	65,550	24.21
2005	232	162	10,879,317	66,975	25.68
2006	236 r	168	11,419,054	68,141	26.07
2007	236	167	11,599,244	69,367	27.31

* See note on page 8 for explanation of employees included. r - revised



EMPLOYMENT AND ANNUAL WAGES BY CLASS - 2007

Employee Group	Number of Employees	Total Wages (\$000)	Average Annual Wages
Executives, officials & staff assistants	10,187	1,154,620	\$113,342
Professional & administrative	13,869	920,857	66,397
Maintenance of way & structures	35,459	2,215,757	62,488
Maintenance of equipment & stores	30,764	1,723,596	56,026
Transportation, other than train & engine	7,050	468,576	66,465
Transportation, train & engine	69,887	5,115,838	73,202
Total	167,216	11,599,244	\$69,367



FREIGHT RAILROAD EMPLOYEES BY STATE OF RESIDENCE - 2007

The employee estimates shown below are based on employee counts compiled by the Association of American Railroads and data from the Railroad Retirement Board.

Alabama	3,877	Montana	2,765
Alaska	426	Nebraska	11,849
Arizona	3,102	Nevada	849
Arkansas	3,606	New Hampshire	217
California	10,499	New Jersey	1,121
Colorado	3,013	New Mexico	1,758
Connecticut	114	New York	3,222
Delaware	183	North Carolina	2,481
District of Columbia	9	North Dakota	1,824
Florida	5,600	Ohio	7,983
Georgia	7,399	Oklahoma	1,953
Hawaii	0	Oregon	2,457
Idaho	1,367	Pennsylvania	7,149
Illinois	12,483	Rhode Island	76
Indiana	6,141	South Carolina	1,876
Iowa	4,038	South Dakota	829
Kansas	5,521	Tennessee	4,310
Kentucky	4,554	Texas	17,554
Louisiana	3,431	Utah	2,004
Maine	730	Vermont	194
Maryland	1,642	Virginia	5,431
Massachusetts	773	Washington	4,206
Michigan	3,617	West Virginia	2,884
Minnesota	4,319	Wisconsin	3,213
Mississippi	1,888	Wyoming	3,107
Missouri	7,168	Total U.S.	186,812

Note: Data include non-Class I freight railroads except the non-Class I U.S. operations of CN and Canadian Pacific Railway.

Source: AAR and U.S. Railroad Retirement Board.

RAILROAD COST RECOVERY INDEX

The Railroad Cost Recovery Index (RCR) measures railroad inflation in much the same manner as the Producer and Consumer Price Indexes measure inflation – that is, it measures the changes in the price levels of inputs to railroad operations. Some of the categories measured are wages and supplements, fuel, materials & supplies, and other expenses (equipment rents, depreciation, purchased services, taxes other than income and payroll, interest, and all other operating expenses).

(1981 = 100)

Year	Labor (wages & supple- ments)	Fuel	Materials & Supplies	Labor, Fuel & M/S Com- bined	Other Costs	Railroad Cost Recovery Index
1944	6.5	5.1	12.7	6.7	–	–
1947	8.4	7.1	16.4	8.7	–	–
1955	14.2	8.7	25.1	14.1	–	–
1960	19.7	9.0	29.8	18.7	–	–
1965	23.6	8.7	30.1	21.7	–	–
1970	33.4	10.1	34.7	29.7	–	–
1975	55.1	29.5	60.3	51.3	–	–
1980	88.7	83.2	92.4	88.3	90.1	88.8
1985	131.7	76.6	99.6	116.6	115.6	116.6
1990	162.6	69.2	105.2	138.5	142.8	139.9
1995	191.7	60.0	132.5	158.3	163.9	160.4
1998	206.4	54.9	137.1	166.5	179.6	171.8
1999	204.1	55.8	136.8	165.3	180.2	171.4
2000	216.4	89.9	136.4	188.3	187.2	187.1
2001	227.8	88.0	140.4	195.0	190.8	192.4
2002	238.1	75.8	139.5	196.2	192.6	193.8
2003	245.6	91.8	139.5	207.5	194.6	200.8
2004	243.4	122.1	149.0	219.9	204.3	211.9
2005	255.4	178.2	161.9	261.2	216.7	238.9
2006	262.6	200.7	178.9	278.3	225.2	251.7
2007	270.3	215.7	195.0	292.0	234.9	263.5

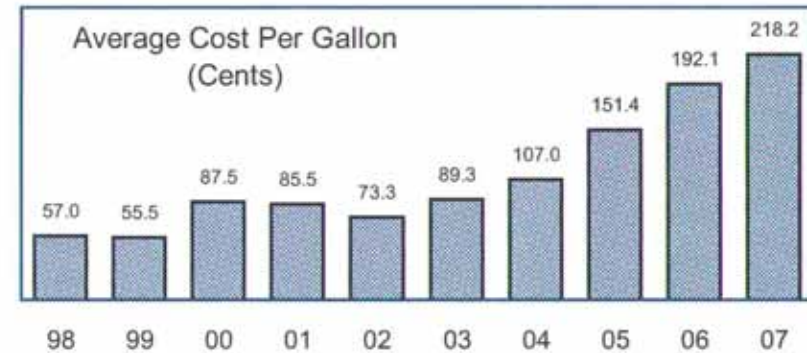
RAIL COST ADJUSTMENT FACTOR

The Rail Cost Adjustment Factor (RCAF) is a quarterly forecast of railroad inflation published by the STB. The AAR is required to calculate the RCAF and a companion All-Inclusive Index using STB guidelines, and every quarter is reviewed by the STB. Calculations are also periodically audited by an independent accounting firm. Since the All-Inclusive Index is a forecast, an adjustment for the difference between the forecast and the later-determined actual index for the same quarter is made in the second succeeding quarter to derive the RCAF (Unadjusted). An adjustment for gains in productivity is applied to derive the RCAF (Adjusted).

The RCAF is required to be published on a new base every five years. All values listed below are on a fourth quarter 2007 base. Calculation of rates of change using these figures might lead to inexact results due to rounding for the rebased figures prior to the fourth quarter of 2007.

Quarter	All-Inclusive Index	Forecast	Productivity		RCAF Adjusted
		Error Adjustment	RCAF Unadjusted	Adjustment Factor	
1992Q4	63.5	0.003	0.638	1.1595	0.550
1997Q4	70.4	0.000	0.704	1.4965	0.470
2002Q4	77.2	0.009	0.781	1.9268	0.405
2005Q1	85.7	0.008	0.865	2.0274	0.427
2005Q2	87.4	0.023	0.897	2.0420	0.439
2005Q3	88.2	0.005	0.887	2.0567	0.431
2005Q4	91.6	0.009	0.925	2.0715	0.447
2006Q1	91.1	0.009	0.920	2.0864	0.441
2006Q2	91.0	0.010	0.920	2.0962	0.439
2006Q3	93.5	(0.004)	0.931	2.1061	0.442
2006Q4	95.6	0.020	0.976	2.1160	0.461
2007Q1	93.5	0.008	0.943	2.1259	0.444
2007Q2	93.5	(0.039)	0.896	2.1348	0.420
2007Q3	95.2	(0.016)	0.936	2.1438	0.437
2007Q4	98.3	0.017	1.000	2.1528	0.465
2008Q1	103.5	0.015	1.050	2.1618	0.486
2008Q2	106.1	0.016	1.077	2.1683	0.497
2008Q3	115.6	(0.009)	1.147	2.1748	0.527
2008Q4	115.5	0.044	1.199	2.1813	0.550

FUEL CONSUMPTION AND COST

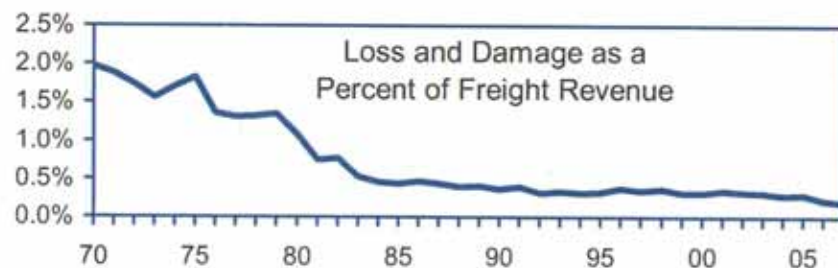


Year	Total Gallons Diesel Fuel Consumed (thousands)	Total Diesel Fuel Expense (\$ millions)	Average Cost Per Gallon (cents)	Diesel as Pct of Total Operating Expense
1955	3,393,103	\$323	9.53 ¢	3.8 %
1960	3,471,780	314	9.03	3.6
1965	3,742,370	341	9.10	3.7
1970	3,807,663	409	10.73	3.6
1975	3,736,484	1,121	30.00	7.0
1980	3,955,996	3,269	82.64	12.4
1985	3,144,190	2,445	77.76	9.7
1990	3,134,446	2,170	69.22	8.8
1995	3,503,096	2,102	60.01	7.5
1998	3,619,341	2,063	57.00	7.4
1999	3,749,428	2,079	55.45	7.4
2000	3,720,107	3,254	87.46	11.2
2001	3,729,985	3,191	85.54	10.9
2002	3,751,413	2,751	73.33	9.3
2003	3,849,229	3,436	89.25	10.9
2004	4,082,236	4,367	106.98	12.4
2005	4,119,879	6,238	151.42	16.5
2006	4,214,459	8,096	192.11	19.8
2007	4,087,405	8,920	218.24	20.9

FREIGHT LOSS AND DAMAGE

Year	Claims (\$ millions)	Percent of Freight Revenue
1929	\$ 36	0.73 %
1939	21	0.63
1944	64	0.90
1947	122	1.70
1955	91	1.10
1960	114	1.41
1965	140	1.59
1970	216	1.97
1975	281	1.83
1980	285	1.08
1985	124	0.44
1990	101	0.37
1995	102	0.33
1996	121	0.38
1997	113	0.35
1998	119	0.37
1999	99	0.31
2000	101	0.31
2001	115	0.35
2002	108	0.33
2003	103	0.31
2004	105	0.28
2005	123	0.29
2006	103	0.22
2007	96	0.19

Note: Three Class I railroads (GTW, IC and SOO) discontinued reporting during the 1990s as they began reporting in Canadian figures not shown here.



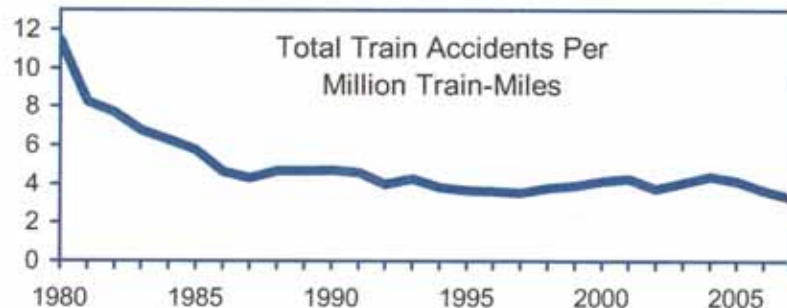
PRE-TAX RAILROAD COST OF CAPITAL

Year	Debt	Equity	Total	Capital Structure	
				Debt	Equity
1978	8.4 %	25.0 %	18.4 %	40.00 %	60.00 %
1979	9.0	26.0	19.2	40.00	60.00
1980	10.0	26.0	19.6	40.00	60.00
1981	13.7	35.2	26.6	40.00	60.00
1982	14.0	38.1	29.2	37.00	63.00
1983	11.7	32.3	26.2	29.40	70.60
1984	12.8	33.3	26.3	33.90	66.10
1985	11.1	28.1	23.1	28.80	71.20
1986	8.9	25.6	19.8	34.80	65.20
1987	9.3	21.7	17.9	30.60	69.40
1988	9.7	19.7	16.6	31.00	69.00
1989	9.7	19.4	16.3	31.80	68.20
1990	9.8	20.2	16.5	34.70	65.30
1991	8.8	20.0	16.6	30.20	69.80
1992	7.7	20.0	16.6	27.80	72.20
1993	6.9	20.6	17.1	25.70	74.30
1994	7.9	21.7	18.4	23.90	76.10
1995	7.4	21.1	17.6	26.00	74.00
1996	7.4	21.9	17.8	28.00	72.00
1997	7.2	22.1	17.7	29.67	70.33
1998	6.6	20.7	15.7	36.01	63.99
1999	7.2	20.4 r	15.7	35.50	64.50
2000	8.0	21.7	15.5	45.40	54.60
2001	6.9	20.1	14.6	41.80	58.20
2002	6.0	19.8	14.1	41.20	58.80
2003	5.0	20.3	13.8	42.80	57.20
2004	5.3	21.1	15.0	38.50	61.50
2005	5.4	24.3	18.5	30.41	69.59
2006	6.0	17.8	15.1	23.05	76.95
2007	6.2	20.3	17.4	20.68	79.32

Note: These figures are based on the STB's cost of capital calculations, but the cost of equity has been adjusted to pre-tax using the federal tax rate plus a small percentage representing state tax rates.

ACCIDENTS PER MILLION TRAIN-MILES

Since 1980 (the year the Staggers Act partially deregulated the rail industry), the number of train accidents per million train-miles has fallen 71 percent. The Federal Railroad Administration data below cover all U.S. railroads (Class I freight, non-Class I freight, and passenger).



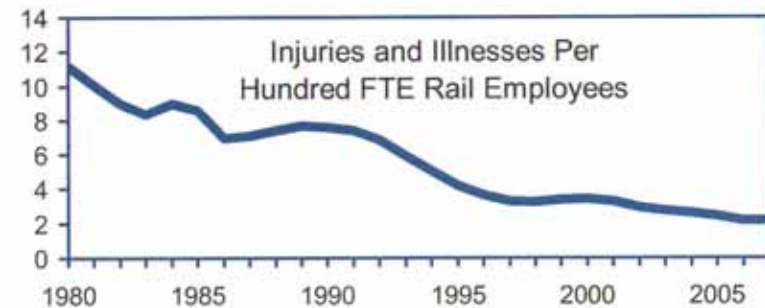
Train Accidents by Type Per Million Train-Miles

Year	Collisions	Derailments	Other	Total
1980	1.67	8.98	0.78	11.43
1985	0.64	4.37	0.73	5.74
1990	0.52	3.52	0.69	4.73
1995	0.35	2.60	0.72	3.67
1996	0.31	2.71	0.63	3.64
1997	0.30	2.57	0.67	3.54
1998	0.25	2.57	0.95	3.77
1999	0.29	2.75	0.84	3.89
2000	0.33	2.92	0.88	4.13
2001	0.31	3.14	0.80	4.25
2002	0.26	2.73	0.76	3.76
2003 <i>r</i>	0.27	2.87	0.93	4.06
2004	0.31	3.16	0.92	4.39
2005 <i>r</i>	0.35	2.92	0.87	4.13
2006 <i>r</i>	0.25	2.69	0.73	3.66
2007 <i>p</i>	0.25	2.38	0.67	3.30

p - preliminary *r* - revised Source: Federal Railroad Administration

INJURIES AND ILLNESSES

Since 1980 (the year the Staggers Act partially deregulated the rail industry) the number of non-fatal injuries and occupational illnesses per hundred full-time equivalent (FTE) railroad employees on duty has fallen 80 percent. The Federal Railroad Administration data below cover all U.S. railroads (Class I freight, non-Class I freight, and passenger).

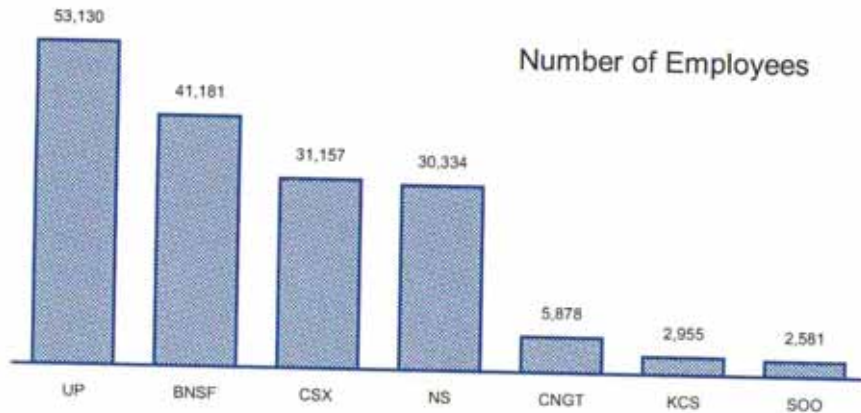
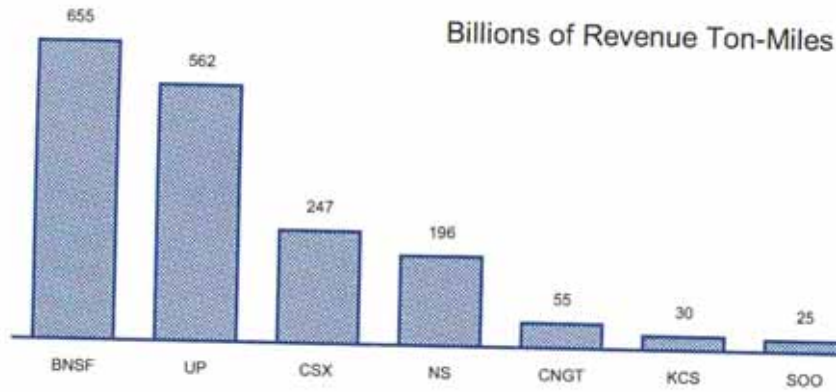
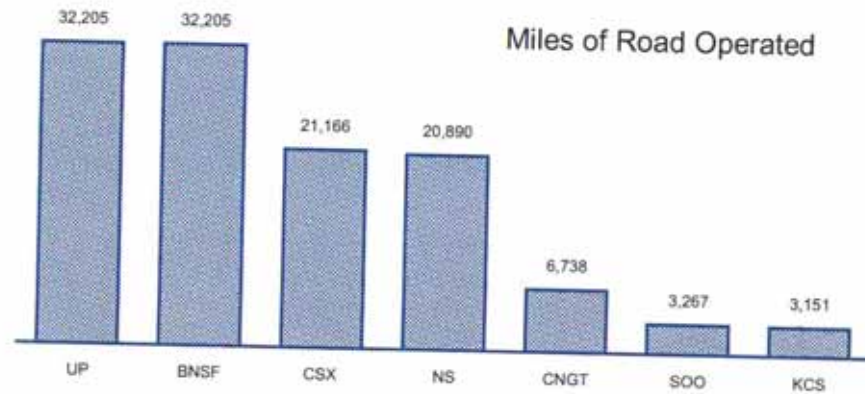


Injuries and Illnesses Per Hundred Full-Time Equivalent Rail Employees

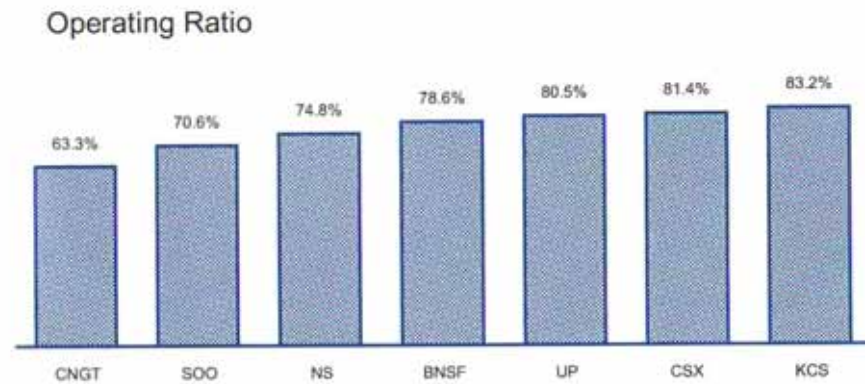
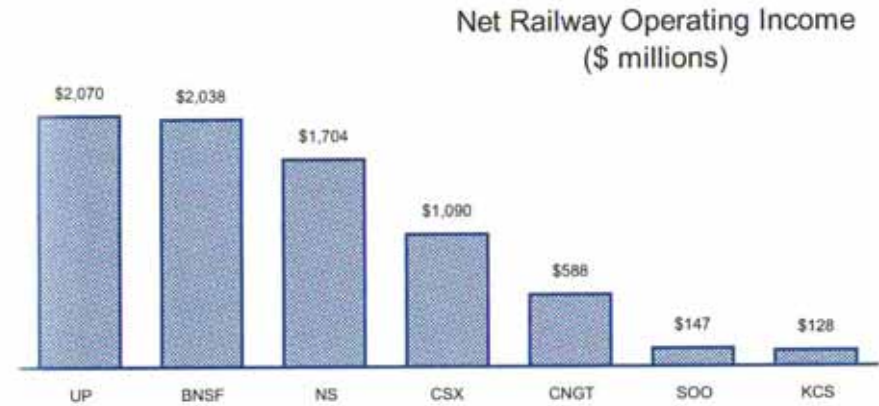
Year	Per Hundred Full-Time Equivalent Rail Employees
1980	11.1
1985	8.6
1990	7.6
1995	4.2
1996	3.6
1997	3.3
1998	3.3
1999	3.4
2000	3.4
2001	3.3
2002	2.9
2003	2.8
2004	2.6
2005	2.4
2006 <i>r</i>	2.2
2007 <i>p</i>	2.2

p - preliminary *r* - revised Source: Federal Railroad Administration

CLASS I RAILROAD RANKINGS - 2007



CLASS I RAILROAD RANKINGS - 2007



NUMBER OF FREIGHT RAILROADS OPERATING IN EACH STATE - 2007

	Class I	Canadian*	Regional	Local		Total
				Line Haul	S&T	
Alabama	4	0	1	15	5	25
Alaska	0	0	1	0	0	1
Arizona	2	0	0	6	2	10
Arkansas	3	0	1	16	5	25
California	2	0	2	12	8	24
Colorado	2	0	4	5	3	14
Connecticut	1	0	2	5	0	8
Delaware	2	0	0	1	2	5
Dist. of Columbia	2	0	0	0	1	3
Florida	2	0	2	9	1	14
Georgia	2	0	0	20	1	23
Hawaii	0	0	0	0	0	0
Idaho	2	0	1	6	2	11
Illinois	7	0	5	13	19	44
Indiana	5	0	3	20	13	41
Iowa	4	0	3	6	3	16
Kansas	4	0	5	3	2	14
Kentucky	5	0	1	7	0	13
Louisiana	6	0	0	8	2	16
Maine	0	0	2	4	1	7
Maryland	2	0	1	4	2	9
Massachusetts	1	0	2	5	3	11
Michigan	4	1	2	10	7	24
Minnesota	4	1	4	8	3	20
Mississippi	5	0	1	16	5	27
Missouri	5	0	2	3	7	17
Montana	2	0	2	4	0	8
Nebraska	2	0	2	3	3	10
Nevada	2	0	0	0	0	2
New Hampshire	0	0	1	8	0	9
New Jersey	2	1	1	7	6	17
New Mexico	2	0	0	2	1	5
New York	2	2	4	22	7	37
North Carolina	2	0	0	13	8	23
North Dakota	2	0	3	2	0	7
Ohio	4	0	2	14	16	36
Oklahoma	3	0	1	11	5	20
Oregon	2	0	2	11	4	19
Pennsylvania	3	1	2	28	24	58
Rhode Island	0	0	1	0	0	1
South Carolina	2	0	0	8	4	14
South Dakota	2	0	2	4	2	10
Tennessee	6	0	0	14	5	25
Texas	3	0	2	19	21	45
Utah	2	0	1	1	3	7
Vermont	0	0	2	6	0	8
Virginia	2	0	0	6	2	10
Washington	2	0	1	12	6	21
West Virginia	2	0	1	5	1	9
Wisconsin	4	0	2	3	1	10
Wyoming	2	0	1	0	1	4
Total U.S.	7	2	33	324	199	565

*Non-Class I operations of CN or CP.

CLASS I RAILROADS - 2007

The Class I Railroads are:

BNSF Railway Company
 CSX Transportation
 Grand Trunk Corporation
 Kansas City Southern Railway Company
 Norfolk Southern Railway (and subsidiaries)
 Soo Line Railroad Company
 Union Pacific Railroad Company

Plant and Equipment

Miles of road operated	119,622
Miles of road owned	94,112
Freight cars in service	460,172
Locomotives in service	24,143
Net investment, as reported	\$117,963,224,000
Net investment, revenue adequacy	\$81,343,715,000

Financial

Operating revenue	\$54,599,504,000
Operating expenses	\$42,747,102,000
Net railway operating income	\$7,765,051,000
Return on shareholders' equity	11.49%
Return on investment, revenue adequacy	9.87%
Total capital expenditures, road and equipment	\$9,156,987,000

Traffic

Carloads originated	31,458,931
Tons originated	1,939,738,227
Ton-miles	1,770,545,245,000

Employment

Total wages	\$11,599,244,000
Average number of employees	167,216
Hours paid for	424,781,839

BNSF RAILWAY COMPANY - 2007



2650 Lou Menk Dr.
Ft. Worth, Texas 76131-2830
(800) 795-2673

Plant and Equipment

Miles of road operated	32,205
Miles of road owned	23,228
Freight cars in service	112,779
Locomotives in service	6,357
Net investment, as reported	\$29,876,371,000
Net investment, revenue adequacy	\$21,362,562,500

Financial

Operating revenue	\$15,909,200,000
Operating expenses	\$12,502,526,000
Net railway operating income	\$2,037,988,000
Return on shareholders' equity	11.73%
Return on investment, revenue adequacy	9.97%
Total capital expenditures, road and equipment	\$2,835,851,000

Traffic

Carloads originated	9,174,167
Tons originated	546,445,840
Ton-miles	655,260,424,000

Employment

Total wages	\$3,160,882,000
Average number of employees	41,181
Hours paid for	108,369,552

CSX TRANSPORTATION - 2007



500 Water Street
Jacksonville, Florida 32202
(904) 359-3100

Plant and Equipment

Miles of road operated	21,166
Miles of road owned	17,351
Freight cars in service	93,174
Locomotives in service	3,819
Net investment, as reported	\$21,263,098,000
Net investment, revenue adequacy	\$14,807,988,000

Financial

Operating revenue	\$9,039,079,000
Operating expenses	\$7,353,818,000
Net railway operating income	\$1,090,011,000
Return on shareholders' equity	9.11%
Return on investment, revenue adequacy	7.61%
Total capital expenditures, road and equipment	\$1,655,531,000

Traffic

Carloads originated	6,348,515
Tons originated	405,630,002
Ton-miles	247,459,905,000

Employment

Total wages	\$2,070,918,000
Average number of employees	31,157
Hours paid for	81,333,264