

Uniform  
Classification of  
Accounts

and  
related  
railway  
records

*(disponible en français)*



**railway companies within the legislative authority  
of the Parliament of Canada as of January 1, 2009**

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Arnaud Railway Company	Minnesota, Dakota & Western Railway Company
Burlington Northern and Santa Fe Railway Company (includes Burlington Northern (Manitoba) Ltd. and Burlington Northern and Santa Fe Manitoba, Inc.)	Montreal, Maine & Atlantic Railway Ltd. (includes Montreal, Maine & Atlantic Canada Co.)
Canadian National Railway Company	National Railroad Passenger Corporation (Amtrak)
Canadian Pacific Railway Company	Nipissing Central Railway Company
City of Ottawa (carrying on business as Capital Railway)	Norfolk Southern Railway Company
CSX Transportation, Inc. (Lake Erie and Detroit River Railway Company Ltd.)	Okanagan Valley Railway Company
Eastern Maine Railway Company	Pacific and Arctic Railway and Navigation Company/British Columbia Yukon Railway Company /British Yukon Railway Company Limited (carrying on business as White Pass & Yukon Route)
Essex Terminal Railway Company	Quebec North Shore and Labrador Railway Company
Ferreoquus Railway Company Ltd. (suspended)	RaiLink Canada Ltd.
Goderich-Exeter Railway Company Limited	St. Lawrence & Atlantic Railroad (Québec) Inc.
Great Canadian Railtour Company Ltd.	Sydney Coal Railway Inc.
Hudson Bay Railway Company	Toronto Terminals Railway Company Ltd.
International Bridge and Terminal Company	Tshietin Rail Transportation Inc.
Kelowna Pacific Railway Company	Union Pacific Railroad Company
Kettle Falls International Railway Company	VIA Rail Canada Inc.
Maine Central Railroad Company (includes Springfield Terminal Railway Company)	Wabush Lake Railway Company, Ltd.

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An up-to-date list of Canada's Federal Railway Companies can be found at [www.cta.gc.ca](http://www.cta.gc.ca).



# general contents

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## INTRODUCTION

This document deals with the Uniform Classification of Accounts (UCA) for railways and certain related railway records (principally operating statistics).

## PURPOSE

The purpose of the UCA is to define the method of accounting for railways subject to regulation by the Canadian Transportation Agency (Agency). It provides accounting instructions and the framework of accounts for the rail operations of such carriers. It also provides instructions for the recording of operating statistics and defines the categories for such data.

## HISTORY OF UCA

The UCA was first issued in September, 1955 by the Board of Transport Commissioners for Canada, the predecessor of the Canadian Transport Commission. This first UCA was prescribed effective January 1, 1956 for the existing Class I railways (Canadian National Railways and the Canadian Pacific Railway Company at that time). Subsequently, a condensed classification of accounts was prescribed for all other railway companies within the legislative authority of the Parliament of Canada effective January 1, 1957.

There then followed a series of amendments which were incorporated into a revised version of the UCA which became effective January 1, 1959. This version, in turn, received a number of comparatively minor amendments which were documented in Accounting Circulars Nos. 8, 9, 10 and 11.

Apart from the above modifications, the 1959 version of the UCA was in effect for over twenty years. This document and its predecessors were based upon the Uniform System of Accounts for Railroad Companies, a classification of accounts dating back to the early 1900's and issued by the United States Interstate Commerce Commission.

In late 1977 the Canadian Transport Commission's Railway Transport Committee commissioned a comprehensive review with the objective of bringing the UCA into line with generally accepted accounting principles, facilitating rail cost analysis, as well as updating and streamlining the document. Significant changes were made to the structure, content and form of the UCA.

The UCA was reissued in January 1989 as a result of the coming into force of the *National Transportation Act, 1987 (NTA, 1987)*. Amendments to the UCA were issued during 1991. On July 1, 1996, the *Canada Transportation Act (CTA)* came into effect. Amendments to the UCA were issued in 2009.

## STRUCTURE OF UCA DOCUMENT

The UCA has been organized to facilitate the understanding and application of prescribed accounting procedures for railways.

General matters are explained in the initial two sections under the following headings:

- 1000 Introduction
- 1100 Administrative Matters

## **introduction to uniform classification of accounts**

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The following five sections provide accounting and record keeping instructions related to specific topics under the following headings:

1200	General Accounting Instructions
1300	Property Accounting Instructions
1400	Revenue Accounting Instructions
1500	Expense Accounting Instructions
1600	Operating Statistics Instructions

Section 1700 contains the chart of accounts, together with an explanatory text for each of the accounts, organized under the following headings:

1701	Balance Sheet Accounts
1702	Property Accounts
1703	Accumulated Amortization Accounts
1704	Revenue Accounts
1705	Expense Accounts
1706	Other Income and Charges Accounts
1707	Amortization Accounts

Section 1800 contains the chart of operating statistics, together with an explanatory text for each type of statistic.

The appendix contains detailed schedules pertaining to certain property accounts, expense accounts and operating statistics.

The accounts themselves, as set out in Section 1700, are organized in accordance with conventional accounting practice. The property and expense accounts are grouped by railway "activity" and are further subdivided into functional groupings. The purpose of these groupings of accounts is to display the interrelationship among various property and expense accounts in a consistent fashion.

## **DEFINITIONS**

### **Activity**

Activities are defined as the major generic categories of operation that take place within a railway (i.e. Way and Structures; Equipment; Railway Operation; General) which are further described under the following headings:

#### **Way and Structures**

This activity concerns all operations and transactions related to the fixed plant of the railway including:

- track and roadway;
- buildings;
- signals, communication and power facilities;
- terminals and fuel stations.

The operations or transactions within this activity include repair and maintenance, leases, rents, and amortization of railway fixed plant.

### **Equipment**

This activity concerns all operations and transactions related to railway equipment including:

- locomotives;
- freight cars;
- passenger cars;
- intermodal equipment;
- roadway machines;
- work equipment.

The operations or transactions within this activity include repair and maintenance, leases, rentals and amortization of railway equipment.

### **Railway Operation**

This activity concerns all of the operations of the railway which are directly involved in providing transportation service, including:

- train operations;
- yard operations;
- train control operations;
- intermodal operations:
- station and terminal operations;
- other transport modes used as an integral part of a rail service.

### **General**

This activity concerns all operations and transactions required to support the overall railway enterprise and includes:

- general administration;
- employee benefits;
- taxes;
- insurance;
- purchasing and material stores.

### **Agency**

Agency means the Canadian Transportation Agency. The Agency is the regulatory body for railway companies within the legislative authority of Parliament.

### **Carrier**

Carrier means a person who is engaged in the transport of goods or passengers by any means of transport under the legislative authority of Parliament.

### **Employee**

An employee of a railway company is an individual over whom the railway exercises or has the right to exercise sufficient control to establish an employer-employee relationship as determined by law. An individual meets the definition of an employee if the enterprise consistently represents that individual to be an employee under law.

## **introduction to uniform classification of accounts**

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Employees include those members of a railway company's board of directors who receive stock compensation for services provided as a director, if the non-employee director was elected by the railway company's shareholders or was appointed to a board position that will be filled by shareholder election when the existing term expires. Individuals providing advisory or consulting services in a non-elected capacity or as non-employee directors for services outside their role as a director, such as legal advice, investment banking advice or loan guarantees do not meet the definition of an employee. An individual who provides services to the railway company in terms of a lease or co-employment is deemed to be an employee of the grantor lessee if all of the following requirements are met:

- a) The leased individual qualifies under law as an employee of the lessee.
- b) The lessor and lessee agree in writing to all of the following conditions related to the leased individual:
  - i) The lessee has the exclusive right to grant stock compensation to the individual for the employee service to the lessee.
  - ii) The lessee has the right to hire, fire and control the activities of the individual. (The lessor also may have that right.)
  - iii) The lessee has the exclusive right to determine the economic value of the services performed by the individual (including wages and the number of units and value of stock compensation granted).
  - iv) The individual has the ability to participate in the lessee's employee benefit plans, if any, on the same basis as other comparable employees of the lessee.
  - v) The lessee agrees to and remits funds sufficient to cover the complete compensation of the individual on or before a contractually agreed-upon date or dates to the lessor enterprise.

### **Geographic Cost Centre**

Geographic Cost Centre is a term denoting subdivision of an account along geographic lines at a level of detail greater than that of a region. Where costs forming part of an account which is to be recorded by Geographic Cost Centre cannot reasonably be attributed to Geographic Cost Centres, they may be recorded at a higher level of aggregation.

### **Intermodal**

Intermodal operations involve movements by more than one mode of transport. In the UCA context the term intermodal refers essentially to operations in which goods are carried in a van (usually a highway trailer or freight container) which is transferred between a rail car and other vehicle(s) (usually trucks or ships) which are used to accomplish the non-rail parts of the move. Trailer on Flat Car (T.O.F.C.) and Container on Flat Car (C.O.F.C.) are designations denoting the most familiar rail forms of intermodal transport.

### **Natural Expense Categories**

Natural expenses are defined as the basic inputs to the railway enterprise. Three categories of natural expense are established in the UCA, as follows:

- Labour
- Material
- Other

### **Rail Division**

This term is used when the railway is part of a larger corporate structure. It means the segment within the corporate structure which operates the railway.

### **Railway**

Railway means a railway within the legislative authority of Parliament and includes:

- a) branches, extensions, sidings, railway bridges, tunnels, stations, depots, wharfs, rolling stock, equipment, stores or other things connected with the railway, and
- b) communications or signalling systems and related facilities and equipment used for railway purposes.

### **Railway Company**

Railway company means a person who holds a certificate of fitness under section 92 of the *CTA*, a partnership of such persons or a person who is mentioned in subsection 90(2) of the *CTA*.



# administrative matters

## SECTION 1100

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Railway companies within the legislative authority of the Parliament of Canada are classified as follows: .01

*Class I* - A railway company that realized gross revenues of at least \$250,000,000 for the provision of Canadian rail services in each of the two calendar years before the year in which information is provided pursuant to Part II of the *Carriers and Transportation and Grain Handling Undertakings Information Regulations*. .02

*Class II* - A railway company that realized gross revenues of less than \$250,000,000 for the provision of Canadian rail services in each of the two calendar years before the year in which information is provided pursuant to Part II of the *Carriers and Transportation and Grain Handling Undertakings Information Regulations*. .03

*Class III* - A railway company, other than a class I rail carrier or a class II rail carrier that is engaged in the operation of bridges, tunnels and stations. .04



The books to be used in recording transactions as classified in these regulations are not prescribed. They shall conform, however, to accepted accounting and legal standards. .01

Records are to be maintained in a manner facilitating review, audit and tracing of transactions to source data. Where full information on transactions is not recorded in the general books of a carrier the entries therein shall be supported by other records, suitably cross-referenced, containing such information. .02

The accounts employed by the carriers must conform with the UCA. UCA account numbers shall be used as the codes of primary importance within the railways, at the level of disaggregation set out in the UCA. In order to retain flexibility, carriers may further sub-divide any of the UCA's prescribed accounts in accordance with their needs for responsibility identification, functional separations or other detailed requirements, providing that all resulting data can be related to the UCA accounts without the use of allocations. Carriers are not permitted to substitute their own coding systems where UCA account numbers have been prescribed. .03

Where costs arise in such a way as to fall naturally into more than one UCA account, where this is in the nature of the cost, rather than being the result of the data requirements of railway management, an allocation on some reasonable basis for the relevant UCA accounts will be permitted, only after consultation with the Agency. .04

The Agency's "Railway Costing Regulations" state the basis of costs for regulatory purposes. In keeping with the above regulations, it is intended that the UCA be used as the primary source of data for regulatory cost analysis. .05

### **Retention of Records**

Accounting, operating or costing papers, statistical records, source documents, working papers and reports (including paper and electronic records) used in .06

- a) the recording of transactions as classified in the UCA, or;
- b) the development and calculation of specific and unit costs, and service units, including switching times;

and any other regulatory costing exercise initiated through application under the *CTA* or other legislation must be retained for a minimum of five years after the end of the year to which the document is related after which they may be discarded or destroyed at the discretion of each railway's management.



- Annual results for carriers shall be stated on the basis of years ending December 31. .01
- The Annual Report and Financial and Related Data are to be completed in accordance with the provisions of Part II of the *Carriers and Transportation and Grain Handling Undertakings Information Regulations* under section 50 of the CTA, with submissions provided to Transport Canada not later than May 31 of the year following that for which the report is made. This will be regarded as confidential in accordance with section 51 of the CTA. .02
- In addition, all carriers are to provide the Agency with their annual shareholders' report and/or annual audited financial statements. .03



- When in doubt as to the intent of the UCA on any matter, carriers are to submit to the Secretary of the Agency questions seeking interpretation and/or clarification of the issue(s). In addition, the Agency may issue interpretations on its own initiative. .01
- The Agency may require written submissions and may hold a hearing before giving an interpretation. .02
- The Agency will publish its interpretations and judgements in the form of Bulletins. .03
- Any carrier may object to an interpretation by filing with the Secretary of the Agency within thirty days after the date of the Bulletin containing the interpretation, or within such further time as the Agency allows. The objection and the reasons in support thereof are to be stated in writing. .04
- The procedure to be followed in respect of issues concerning generally accepted accounting principles is set out in Section 1201, General Accounting Instructions. .05



A definition of "Related Parties" is set out in the Handbook of the Canadian Institute of Chartered Accountants. For purposes of the UCA, the definition is extended to include, as a Related Party of a rail division, any other division of a corporation of which the rail division forms a part. .01

Carriers are required to maintain such supporting data with respect to transactions between rail divisions and "Related Parties" as well as explain the price basis and reasons for the transactions. .02

The transfer or sale of property between the railway and any related party is to be governed by the following principles and practices: .03

a) Normally, such transactions should be carried out on the basis of the fair market value of the property. .04

b) Where the carrier uses some basis other than fair market value and where the transaction involves either: .05

i) depreciable property for which the net book value or the fair market value amounts to \$1 million or more, or

ii) land, regardless of value,

the carrier must retain all of the following information with respect to the transactions:

- the reason for the transfer or sale;
- the date of transfer or sale;
- the identity of the related party;
- a description of the property involved;
- the estimated fair market value of the property;
- the original cost of the property;
- the estimated depreciation accumulated with respect to the property;
- the proposed transfer value of the property;
- the basis on which the transfer value was calculated;
- the reason for valuing the property at other than fair market value.

The carrier will, upon request of the Agency, submit this information (and any other information considered relevant by the Agency) to the Agency.

c) Where the Agency considers that it was inappropriate to use a basis other than fair market value for the transaction, it may direct that an estimated fair market value be used. .06

## **related party transactions**

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- .07 d) Special provision is made in other Sections of the UCA for two cases:
- i) sale or transfer of property to a related party where the intent is that the property will be disposed of by the related party.  
*Reference: Section 1309.18;*
  - ii) exchange of properties. *Reference: Section 1310.*

The accounting instructions in this UCA set out certain minimum amounts which are used as a guide to appropriate accounting procedures in specific circumstances. The Agency will issue such periodic revisions to these minimum amounts as are necessary to accommodate cost inflation, and in so doing will provide adequate notice of the revisions to be made. .01



# general accounting instructions

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**SECTION 1201** **application of generally  
accepted accounting principles**

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The accounting principles followed shall, subject to specific instructions in this UCA, be accounting principles generally accepted in Canada. .01

While "generally accepted accounting principles" (GAAP) is a technical term in financial accounting it is widely understood to denote those accounting principles which have been developed, through use, custom and experience, to guide the recording, measuring and communicating processes of financial accounting. .02

Paragraph 1201.03 deleted (effective May 2010). .03

From time to time, the above-mentioned accounting principles change. It is possible that the new principles will not be appropriate for the railways. Accordingly, when new Accounting Recommendations are published by the CICA, carriers may, within 60 days of publication, submit to the Agency their views as to: .04

1. Whether the new accounting principles are appropriate for a railway;
2. Whether the new accounting principles should be adopted on a retroactive or prospective basis; and
3. The most appropriate method of implementing the new accounting principles, if applicable.

Where the Agency has received a submission from a carrier concerning a new accounting principle, it will direct all carriers of the accounting principles and methods to be followed before the earlier of the following deadlines: the effective date of the accounting principle, or a date 180 days after publication of the accounting principle. .05

## **application of generally accepted accounting principles**

- .06 Further, new types of transactions may arise which are not similar to transactions for which accounting practice has been developed. In such situations, carriers should submit to the Agency their views as to the accounting principle or method most appropriate in the circumstances. The Agency will direct all carriers of the accounting principles and methods to be followed within 120 days of receipt of such a submission.
- .07 The Agency will not receive submission on, or prescribe accounting principles and methods for, non-rail activities of carriers.
- .08 While materiality of an item is a matter of judgement having regard to all the circumstances, the Agency considers that, as a general rule, materiality may be judged in relation to the reasonable prospect of its significance in the making of decisions by the Agency. If the item might reasonably be expected to affect a decision, it should be deemed material.

**Canadian Rail Operations**

The property, revenue and expense accounts provided in this UCA are intended to contain only transactions and balances resulting from Canadian Rail operations defined as follows: .01

Rail operations consist of the transportation by rail of goods and passengers (both inter-city and commuter) and include intermodal transportation which may involve the railway in transport modes other than rail where such operations are required to complete a rail move. .02

Canadian rail operations are those of: .03

- Canadian railway companies;
- lines in the United States which comprise short ends or interchange points or a part of continuous Canadian lines which pass through the United States due to geographic location of the terminal points (Accounts for these lines shall be in accordance with the Uniform System of Accounts for Railroad Companies as prescribed by the Surface Transportation Board, unless the Surface Transportation Board gives the carrier permission to adopt accounting principles generally accepted in Canada.);
- lines in Canada owned and/or operated by United States railway companies;
- affiliated railway companies or terminal companies which are jointly owned;
- leased railway companies included in Canadian rail operations.

**Non-Rail Activities**

Because of the variety of non-rail activities in which the carrier may become involved it is not considered feasible to include in this UCA the method of accounting for such activities. In accounting for non-rail activities the carrier should use accounts which are clearly distinguishable from the UCA accounts. .04

The rail division will become involved from time to time in non-rail activities which will result in transactions which will affect current assets and current liabilities and, in some cases, on a temporary basis, other assets and liabilities. The UCA balance sheet accounts are to be used to record such assets and liabilities. .05

When items such as cash, accounts receivable and accounts payable are the responsibility of a separate treasury function and not of the rail division the prescribed UCA accounts for such items will not be used. .06



- Joint facility accounts are provided in this UCA to record settlement between the carrier and other carriers which share the cost of joint use of tracks, yards, equipment and certain other facilities, without disturbing the primary account distribution by the carrier which incurs the cost to be shared. .01
- The carrier which incurs the expense shall include as a credit in these accounts only the amounts recoverable from other carriers. Correspondingly, a using carrier which shares the expense shall include in these accounts only amounts billed by other carriers. .02
- The owning carrier shall indicate the distribution to joint facility expense accounts of amounts billed, and using carriers shall follow this distribution in their own accounting records. .03
- Linehaul train service is not a joint facility for purposes of these accounts. .04
- Accounts are also provided for settlement of joint facility revenues in the revenue accounts. .05



The carriers should examine the economic circumstances in order to determine the appropriate accounting treatment, including the timing of the recognition of the benefits, of amounts received as donations and grants. Normally, the donations and grants will be accounted for according to the "income approach", which requires that the amounts received as donations and grants be credited in one of the following ways, depending on the nature of the assistance: .01

- a) direct increases in revenues, or reductions in expenses;
- b) reduced amortization charges based on reduced asset costs;
- c) amortization of deferred credits.

In some unusual circumstances the "capital approach" might be acceptable to the Agency: however, permission to account for a donation or grant in this way must be obtained from the Agency. The "capital approach" requires that the amount of the donation or grant be treated as a capital transaction and credited to contributed surplus. .02

Accordingly, except in the unusual circumstances where the Agency has given authorization to use the "capital approach", donations and grants from governments or others, and whether in cash, property or other consideration, are to be dealt with as follows: .03

- a) Donations and grants related to assistance toward current operations are to be credited to one of the accounts provided for the purpose (e.g. Government Payments, Accounts 379 to 381; Expense Accounts 481, 580, 755 and 865). .04
- b) Donations and grants identified as being related to property acquisitions are to be credited to Account 73 and amortized to income (through Accounts 967 and 997) on the same basis as the cost of the related property is depreciated. Upon final retirement or disposal of a donated asset, any unamortized balance of the related donation or grant is to be credited to the appropriate accumulated depreciation account. .05

Where more than one class of property is involved, the donation or grant is to be amortized to income at a rate calculated on the basis of the useful life of each property class involved and the proportion that the cost allocated to each property class is to the total amount involved. Where the asset involved is land, the donation or grant should not be amortized; the total amount involved should be retained in Account 73 until the land is retired, at which time it should be taken into income as a lump sum. .06

## **donations and grants**

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- .07 Contributions from shareholders are not to be accounted for as donations and grants; rather, they are to be credited to contributed surplus. For example, when a government holds an equity position in a carrier and a contribution of cash or other assets is made by virtue of the government's position as a shareholder, the amount of the contribution will be credited to contributed surplus. The accounting for property acquired in this way will follow the prescribed accounting for property purchased or constructed by the railway.
- .08 The distribution of amounts between Accounts 73, 481, 580, 755 and 865 and between various classes of property within Account 73 should be governed in the first instance by the terms of the contract or agreement covering the donation or grant involved. Where the contract or agreement is silent, the allocation should be in proportion to the share of the various property and expense items in the total cost of the project, except where the expense items total less than \$10,000, in which case the expense items may be given priority in making the allocation.
- .09 For all donations and grants (including, to the extent possible, those recorded in account 83.1) carriers must maintain records showing the source of each donation or grant and the purpose for which each was intended. In addition, the following requirements are applicable to the particular types of donation or grant indicated.
- .10 For each donation or grant recorded in Account 73, carriers must maintain records showing:
- the amount credited to income, year by year, in respect of the donation or grant;
  - the amount at the end of each year yet to be amortized to income; and
  - sufficient information to allow the Agency to match the donation or grant to the corresponding property account or accounts and to the corresponding property records as specified in Section 1301.
- .11 For donations and grants recorded in Account 83.1, the carrier must maintain, to the extent possible, records containing sufficient information to allow the Agency to match the donation or grant to the corresponding property account or accounts and to the corresponding property records as specified in Section 1301.
- .12 For donations and grants recorded in Accounts 481, 580, 755 and 865, carriers must maintain records which will allow the Agency to relate such amounts to the corresponding expense accounts including sub-accounts, geographic detail and equipment type detail where applicable.

The procedures and account structure prescribed in this UCA are to be followed by Class II and III railways with the following exceptions .01

- geographic separations of the accounts and geographic separations of operating statistics
- division of investment in rail (Account 103) into first position and other than first position components.

These items are required for Class I railways only.



# property accounting instructions

## SECTION 1300

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## PROPERTY ACCOUNTING INSTRUCTIONS

### SECTION 1301

### property records

Carriers shall maintain records of physical assets, both owned and used under agreements classified as capital leases, in which shall be recorded: .01

- the cost of the asset
- the nature of the asset
- the date of acquisition or placement
- for assets included in property Accounts 101.1 through 163, excepting 113, the location, and
- for assets included in property Accounts 171 through 189 detailed descriptions, including cost and any serial numbers etc., which serve to identify the assets.

The records of physical assets shall record all transactions in respect of additions, replacements, transfers, retirements and changes in location on a timely basis and shall be reconciled with the related property accounts not less frequently than annually. .02



The property accounts shall include the cost of physical assets, both owned and used under agreements classified as capital leases. Leased assets shall be indicated by an account suffix. .01



Additions to Property Accounts include costs related to the following whether .01  
constructed, acquired by purchase or through capital leases:

- additional equipment and facilities and improvements thereto;
- major renewals and conversions;
- programmed replacements of track structure;
- replacements of other property.

Except in the case of programmed replacements of track structure, for which a .02  
special accounting policy is described in Section 1308, the cost of additions to  
property shall include the elements of cost listed and described in Sections 1303.07  
through 1303.22.

When repairs are made to existing property in conjunction with additions to .03  
property, the cost of removing old material and the cost of new parts plus the  
labour cost actually incurred, shall be charged to the expense accounts appropriate  
for repairs to the equipment or facility being repaired. Such charges shall include  
the cost of removing old foundations and filling old excavations, of restoring the  
condition of grounds after construction work and of maintaining or protecting  
traffic during the progress of construction work, including the cost of constructing,  
maintaining and removing temporary tracks required for that purpose.

The cost of shifting or rearranging tracks within a yard shall be charged to .04  
expenses, even though the tracks may be dismantled in the process, but resulting  
additions or reductions in track structure shall be accounted for as additions or  
retirements, as appropriate. Dismantled tracks which are replaced by other tracks  
outside the existing yard shall be retired from the property accounts, and newly  
constructed tracks shall be accounted for as additions.

Changes in the line of road are to be accounted for as improvements if they are .05  
made for the purpose of reducing curves or grades, or to eliminate bridges, tunnels  
or other physical features and if the changes involve units of track structure or  
changes in the existing road bed.

When secondhand equipment acquired (not previously owned by the railway) is in .06  
such physical condition that it is necessary to make extensive repairs to it to bring  
it up to the railway's standards, the repairs shall be considered improvements. The  
cost of such repairs shall be included in the account appropriate for the cost of the  
equipment.

## **additions to property accounts**

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### **Cost of Labour**

- .07 The cost of labour includes:
- an appropriate share of the salaries, wages and fringe benefits of the carrier's own officers and employees;
  - the cost of labour expended for preliminary work, such as sinking test holes or making soundings, for tunnels, gradings, buildings, and other structures;
  - the cost of labour expended in laying and taking up tracks for temporary use in construction, except the cost of labour expended on tracks provided for the protection of traffic during the progress of addition or replacement work.
- .08 No charge shall be made against property accounts for the pay of officers and employees who merely render services incidentally in connection with extensions, additions, or replacements.

### **Cost of Materials and Supplies**

- .09 The cost of materials and supplies includes:
- the purchase price of materials and supplies, including small tools, at the point of free delivery;
  - sales taxes on materials and supplies;
  - the cost of inspection and loading assumed by the carrier;
  - the cost of transportation paid to others;
  - a suitable portion of material stores and purchasing expense.
- .10 In calculating the cost of materials used, allowance shall be made for the value of the material recovered and used for other purposes.

### **Cost of Contract Work**

- .11 The cost of contract work includes amounts paid for work performed under contract by other companies, firms, and individuals and costs incident to award of the contract.

### **Cost of Work Train Service**

The cost of work train service includes: .12

- amounts paid to others for rent and maintenance of equipment used;
- cost of labour of enginemen, trainmen and enginehousemen, including wages of engine crews and train crews held in readiness for such service;
- cost of fuel and other supplies consumed in the operation of work trains;
- the cost of on-site maintenance of the carrier's own equipment used in construction service.

### **Cost of Vessel Work Service**

The cost of vessel work service includes: .13

- amounts paid to others for rent and maintenance of vessel equipment used;
- costs of labour of crews, including wages of crews held in readiness for service;
- cost of fuel and other supplies consumed in connection with the operation of vessels in work service;
- cost of maintaining the carrier's own vessel equipment used in construction service.

### **Cost of Equipment for Specific Construction Projects**

When a construction project necessitates the purchase of equipment to be used exclusively therein until its work on the project is completed, the cost of such equipment shall be included in the accounts representing the cost of the work, and no charge shall be made to expenses for amortization on such equipment while the cost remains so charged. .14

The amount realized from any subsequent sale, or the appraised value of the equipment retained after the completion of the work for which it was purchased, shall be credited to the accounts charged with its cost. The appraised value of such equipment retained shall be charged to the appropriate account, and thereafter, for the purposes of accounting, such appraised value shall be considered as the cost of the equipment. Under no circumstances should the appraised value of the equipment retained after completion of the work for which it was purchased exceed the cost of the equipment. .15

## **additions to property accounts**

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### **Cost of Special Machine Service**

- .16 The cost of special machine service includes:
- the cost of labour expended and the cost of materials and supplies consumed in operation and on-site maintenance of machines such as power shovels, scrapers, rail unloaders, ballast unloaders, piledrivers, dredges, ditchers, weed burners and special off-track machines;
  - amounts paid to others for rent and maintenance of such machines.

### **Cost of Large-Scale Roadway Equipment Service**

- .17 Large-scale roadway equipment is machinery costing or valued over one million dollars and used in constructing or replacing way and structures. The cost of large scale equipment service includes:
- all applicable costs listed in Sections 1303.12 and 1303.16;
  - off-site maintenance costs;
  - amortization.
- .18 For each such machine, costs shall be accumulated and allocated to the projects for which it is used.
- .19 Large-scale roadway equipment purchased for use on a specific project is subject to the instructions in Section 1303.14.

### **Cost of Transportation**

- .20 The cost of transportation includes amounts paid to other companies or individuals for transporting men, materials and supplies, special machine outfits, appliances, and tools for construction purposes.

### **Allowance for Funds Used During Construction**

- .21 The allowance for funds used during construction includes those allowed for "Construction In Progress" (Reference: Instruction 1304).

### **Other Costs**

- .22 Other costs include such other costs incurred as are identifiable with construction activities, for example, cost of protection from casualties and cost of privileges.

- When carriers have expended monies to acquire or construct assets which are not yet available for use, the costs shall be accumulated in Account 31 - Construction in Progress. The balance in this account shall be supported by detailed records on which the costs applicable to each project are accumulated. .01
- When projects or major phases thereof are complete and available to provide service, the costs related thereto shall be transferred to the appropriate property accounts. .02
- Interest during the period between the commencement of construction and the coming into service of property included in Construction in Progress (Account 31) may be added to the construction cost of such property. The approval of the Agency must be obtained before adopting such an accounting procedure. .03
- The procedure if adopted and approved must be applied consistently thereafter and is restricted to large scale projects which satisfy the following criteria: .04
- a) the period of construction is longer than twelve months, and
  - b) the cost of the project is in excess of \$1,000,000.
- The amount of interest cost to be included in construction shall be: .05
- a) One-twelfth of the annual interest rate on borrowings specifically related to the project multiplied by the accumulated costs of the project at the end of the last preceding month.
  - b) Otherwise the interest rate shall be the weighted average annual interest rate on all borrowings in the previous year.
- In no case should the allowance for funds used during construction in any month exceed the incurred interest costs in that month .06



Carriers may apply to the Agency to determine amounts below which additions to, and replacements and major renewals of, operating property other than land and all elements of track structure may be charged to expense. No subsequent change is to be made in the minimum amounts except by authority of the Agency. .01

The carrier shall not combine unrelated items of property for the purpose of including in the property accounts items which would otherwise be charged to expense, nor shall expenditures for related items be parcelled out into smaller parcels for the purpose of charging to expense items which would otherwise be included in the property accounts. .02



A unit of property is an item of property which is subject to write-out write-in accounting in the course of major renewals, conversions and replacements. A unit of property is not necessarily a complete structure but may be part of a complete structure where such part is a physically distinct part of the structure. A list of units of property is given in Schedule 0 (see Section 1915). Units appearing in this list are to be considered representative and not as excluding analogous units which are omitted. The carrier may apply to the Agency to have units added to this list. .01



A major renewal occurs when work is undertaken to alter an existing unit of property in order to significantly increase its service life and/or its revenue-generating capacity. A conversion occurs when work is undertaken to alter in a significant way an existing unit of property in order to convert it from one basic use to another. A transfer occurs when property is transferred from one use to another without a significant amount of alteration work. .01

### **Accounting for Major Renewals and Conversions**

The minima applicable to major renewals and conversions shall be those minima set out below. .02

In order to be accounted for as a major renewal or a conversion, the cost of the work involved, exclusive of the expense of dismantling and repairs of old parts reused, must exceed 10% of the cost of a new unit of the same kind and class as the unit rebuilt. In addition, in the case of way and structures property, the cost of the work, exclusive of the expense of dismantling and repairing of old parts reused, must exceed \$100,000. .03

The rebuilt unit shall be accounted for as an addition and the old unit as a retirement. The charge to the appropriate property account for the rebuilt unit shall be the sum of (1) a reasonable estimate of the value of the secondhand parts remaining in the rebuilt unit, and (2) the costs incurred in the process of making alterations, including labour and additional material applied, but exclusive of the expense of dismantling and repairing secondhand parts reused. .04

### **Accounting for Transfers**

In the case of a transfer the cost of the property together with its accumulated amortization shall be written out of the accounts representing the initial use of the property and written into the accounts representing the new use of the property. .05



Replacement of the elements of track structure is normally controlled through budget appropriations, which are programmed. In general, when a unit of track structure is replaced on a programmed basis, the facility being replaced is treated as a retirement and the new facility is treated as an addition. For each element of track structure the following rules shall apply: .01

Ties - replacement of ties shall be accounted for as programmed, except in the case of spot replacements, wrecks, rockslides, wash-outs, etc. Ties changed in conjunction with rail, ballast or other track material programs shall be accounted for as follows: if fewer than 15 per cent of the ties in the section of track covered by the program are changed, they shall be considered spot replacement; otherwise, they are to be accounted for as programmed. .02

Rails - new and relay rails installed as replacement shall be accounted for as programmed where more than 1,000 continuous feet of existing track (i.e., 2,000 feet of single rail) is to be replaced. .03

*It is not permissible for a carrier in the application of this rule to consider the replacement of rail in two or more tracks with a combined total of more than 1,000 feet of track as coming within the intent of this rule.* .04

Other Track Material – Other track material installed in conjunction with programmed replacements of rails or ties shall be accounted for as programmed. In addition, planned renewals of other track material undertaken independently of tie and rail programs shall be accounted for as programmed. .05

Ballast – Ballast as replacement in 1,000 continuous feet of track shall be accounted for as programmed. .06

In programmed replacements the costs to be retired are as follows: .07

- In the case of ties retired the costs shall be the material cost of the first ties placed in service and not previously retired.
- In the case of rails retired the costs shall be the weight of rail retired times the cost per ton of the rail first placed in service and not previously retired; alternatively the actual material cost of rail retired may be used if records of such information are maintained.
- In the case of other track material the costs shall be the actual or estimated material cost.
- In the case of ballast the costs shall be the cost of ballast first placed in service and not previously retired. The quantity of ballast retired shall be the quantity of ballast placed in the programmed replacement; however, if the depth of the ballast is to be changed an engineering estimate shall be made of the quantity originally in place, and that quantity shall be retired.

## **programmed replacements of track structure**

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- .08 In programmed replacements the costs to be charged as additions are:
- In the case of rails, ties and other track material, the cost of materials (as per Section 1303.09); and,
  - In the case of ballast the cost of material and an appropriate share of the expense of dedicated work trains (as per Sections 1303.09 and 1303.12).

**SECTION 1309**

- Retirement of property occurs: .01
- when land or a unit of property is withdrawn from transportation service, whether or not replaced;
  - when property classified as "less than a unit" is withdrawn from transportation service and not replaced;
  - when a unit of property is altered in such a way that it is considered that a major renewal or conversion has taken place.
- For the purposes of paragraphs 1309.06 through 1309.17 the following definitions are established: .02
- Cost - cost is the amount which has been charged to the property accounts in respect of the property being retired. In any case where the cost is not separately shown in the records, the cost shall be an appropriate share of the cost of the entire group in which the particular property is included. .03
  - Removal Costs - removal costs are the costs of dismantling or demolishing retired property and of recovering salvage from retired property. Removal costs are charged to accumulated amortization accounts when incurred. .04
  - Value of Salvage - value of salvage includes the amount received for property retired, or for the material salvaged therefrom, if sold. .05

**Accounting Procedures for Retirements**

- The following procedure shall be followed for normal retirements of property except land, other non-amortizable property, and reusable track material. The cost less value of salvage of the property being retired shall be charged to the corresponding accumulated amortization account. In the event that such retired property is held and not sold or scrapped immediately, the estimated value of the salvage should be included in Account 39. Subsequent adjustments of the estimated salvage to actual salvage amounts shall be treated as charges or credits to the related accumulated amortization account. .06
- When the retirement of property (except land and other non-amortizable property and reusable track material) results in the disposal of all assets included under a particular account title, and no replacement of the asset takes place within the financial year of disposal, any balance in the related accumulated amortization account, after all normal retirement entries have been made, is to be debited or credited, as the case may be, to a specific account in the amortization expense grouping. The specified accounts are: .07

969 Way and Structures - Amortization Adjustments  
999 Equipment -Amortization Adjustments

## **retirement of property**

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- .08 It is intended that the balances in the two expense accounts be included in the determination of railway income for the financial year (by reducing or increasing amortization expense) with the exception of that portion of a total disposal of equipment represented by a disposal of Rolling Stock - Revenue Service (Schedules A, C and H). When rolling stock included in Schedules A, C and H is disposed of in its entirety, a review should be made of the status of other items in the same schedule and if such review reveals that it is appropriate to do so, the balance, either debit or credit, related to the retired item may be transferred to accumulated amortization accounts pertaining to other items in the schedule. At the same time, suitable recognition should be given, through the amortization rate, to the service life of the items of rolling stock remaining. It is not intended that the review of remaining service lives be as comprehensive as the Review of Rates (see paragraph 1311.12) but it can be so. Justification of the action should be in writing and retained on file.
- .09 From time to time, sales or disposals of large blocks of amortizable assets will occur which, while not sales or disposals of all assets included under a particular account title, are of such a major nature that special consideration of the current and future amortization provisions related to the asset groups is required. In some situations, immediate "catch up" adjustments resembling those referred to above in connection with retirements of all assets included under a particular title, will be appropriate. In others, the appropriate accounting may call for recognition of a "catch up" amount (to be debited or credited to Account 969 or 999 as the case may be) as well as a prospective change in the rate of amortization applicable to the asset following the normal procedure prescribed for the Group Amortization Method employing the Remaining Life Technique.
- .10 In summary, three possible accounting approaches are recognized when an asset retirement occurs:
- prospective adjustment of the amortization rate applying the Remaining Life Technique;
  - immediate recognition of a short fall or overrun in the case of the retirement of all assets included under an account title;
  - a combination of the above two approaches in circumstances created by a major disposal.
- .11 The three accounting approaches are not options in the sense that any one would be acceptable in all circumstances. Rather, the choice is to be dictated by the circumstances and should be justified by written documentation maintained on file by the railways.

**Retirements of Land and Other Non-Amortizable Property Items**

When land or other non-amortizable property is sold, the cost shall be removed from the accounts and the difference between the cost and the amount received shall be recorded in Account 875. When land or other non-amortizable property is no longer required for transportation purposes but is retained by the railway, the cost shall be transferred to Account 39. .12

**Retirements of Reusable Track Material**

The following instructions apply to reusable rail. Reusable track material other than rail may be accounted for according to these instructions or those contained in Section 1309.06 at the discretion of the carrier. .13

If the property being retired is reusable track materials, its deemed cost shall be charged to Account 113 - Used Track Material in Store. .14

When material carried in Account 113 is used as an addition to or replacement of a track item, the deemed cost of such material shall be transferred to the appropriate property account. .15

When material carried in Account 113 - Used Track Material in Store is used in repair and maintenance work (e.g. spot replacement), the charge to the appropriate maintenance account will be the calculated amount that would have been charged as amortization over the remaining life of the material if the material had been used as an addition to or replacement of a track item. The balance of the carrying value of such reusable track material, that is, the difference between its deemed cost and the amount charged to maintenance expense shall be charged to accumulated amortization. The amount of salvage recovered from materials replaced in such spot replacements is to be credited to Accumulated Amortization. .16

From time to time, materials identified as reusable when first released from amortizable units of road and equipment property and consequently carried at cost in Account 113 - Used Track Material in Store, may be disposed of by sale. In such cases, the deemed cost of the material sold less the sale proceeds is to be charged to Accumulated Amortization. .17

**Transfer or Sales of Property to Related Parties**

When property is transferred or sold to a related party (as defined in Section 1105.01) and the intent is that the property will be disposed of by the related party the cost of the property shall be recorded in Account 39 until it is disposed of. The actual proceeds, less a reasonable charge by the related party for the service, would be used in accounting for the transaction. .18



"An exchange is a reciprocal transfer between an enterprise and another entity that results in the enterprise's acquiring assets or services or satisfying liabilities by surrendering other assets or services or incurring other obligations". (Source: Opinion No. 29 of the Accounting Principles Board of the American Institute of Certified Public Accountants). .01

A property exchange is an exchange involving non-monetary assets and liabilities, e.g., inventories, land, buildings, equipment, liability for rent collected in advance. .02

In general, property exchanges should be accounted for on the basis of the fair value of the assets (or services) involved, as are monetary transactions. Thus the cost of a property item acquired in exchange for another property is the fair value of the property surrendered. If the fair value of the property received is more clearly evident than the fair value of the property surrendered then the former should be used to measure the cost. .03

The basic principles prescribed above should be modified when:

a) Fair values of the assets exchanged cannot be determined within reasonable limits using all available evidence. Fair values should not be regarded as determinable if major uncertainties exist about the realizability of the value that would be assigned to an asset received in an exchange transaction accounted for at fair value. .04

b) The exchange is not the culmination of an earning process. The following transactions are considered as not culminating the earning process:

- An exchange of a product or property held for sale in the ordinary course of business for a product or property to be sold in the same line of business. "Swapping" of inventories between enterprises should not be accounted for as sales. .05

- An exchange of a productive asset not held for sale in the ordinary course of business for a similar productive asset or an equivalent interest in the same or similar productive asset. "Productive assets" are those held for use in the production of goods or services. "Similar productive assets" are productive assets of the same general type that perform the same function or that are employed in the same line of business. .06

In the case of transactions referred to in (a), if neither the fair value of the asset given up nor the fair value of the asset received can be reasonably determined the recorded amount of the asset given up may be the only available measure and would be used. .07

## property exchanges

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- .08 In the case of transactions referred to in (b) the recorded amount of the asset given up should be used as the basis of accounting (after reducing the recorded amount, if appropriate, for any indicated impairment in value). Some of the transactions referred to in (b) may include a monetary consideration. If so, the recommended accounting would conform to the following:
- .09 1) The recipient of monetary consideration in a transaction included in (b) will record a realized gain to the extent that the amount of the monetary receipt exceeds a proportionate share of the recorded amount of the asset given up. The proportionate share would be based on the ratio of the monetary consideration to the total consideration received (fair value of non-monetary asset received plus the monetary consideration) or, if more clearly evident, the fair value of the asset given up.
- .10 2) The payor of monetary consideration should not recognize a gain on a transaction included in (b), but should record the asset received at the amount of the monetary consideration plus the recorded amount of the non-monetary asset surrendered.
- .11 3) If a loss is indicated in a transaction described in (b) above including those involving partial monetary consideration as described in (1) and (2) above, the whole of the indicated loss on the exchange should be recognized.

**Purpose of Amortization Accounting**

The purpose of amortization accounting is to allocate over the service life of amortizable property, in a systematic and rational manner, the service value of the property. .01

Service life is the period of time between the installation of the property and its retirement for accounting purposes. In the case of rail and other reusable items the service life may be broken into two or more periods for the purpose of determining rates for amortization of such items in more than one position. .02

Service value is the excess of cost over estimated net salvage. .03

**Property to be Depreciated**

Property included in all primary property accounts (with the exception of Account 101 - Land and Account 113 - Used Track Material In Store) is classed as amortizable property. .04

Amortization charges shall be determined by applying one-twelfth of the approved rates to the investment in the related property accounts or groups of accounts at the end of the preceding month. Amortization charges shall be debited monthly to expenses or other appropriate accounts and credited to accounts for accumulated amortization. .05

**Method of Accounting for Amortization**

Unless it can be clearly demonstrated that another method better reflects the pattern of use and benefit with respect to amortizable property, the group plan method shall be used. In applying the group plan method the remaining life technique shall be used. .06

In calculating amortization on investment recorded in accounts 171, 173 and 175, each category established in Schedules A, C and H shall be considered a separate group. For all other types of investment, each property account or sub-account shall be considered a separate group. .07

Where a property lease fulfills the accounting requirements for a capital lease i.e., the benefits and risks of ownership are in effect transferred to the lessee (see Section 1312), but it is not expected at the outset of the lease that title will pass to the lessee at termination, the amount assigned as the capital cost of the leased property is considered to be a separate group whose cost is to be amortized over the term of the lease. .08

Leasehold improvements are to be amortized over a period equal to the estimated economic life of the asset or the remaining term of the lease together with the first renewal period if it is probable that the lease will be renewed, whichever is shorter. .09

**Approval of Rates of Amortization**

- .10 Carriers shall file with the Agency rates estimated to be appropriate for each property account or group of property accounts covering amortizable property. These rates shall be based on the estimated service values and estimated service lives of the property developed by studies of the carrier's history and experience and such engineering and other information as may be available with respect to future conditions.
- .11 The rates when filed shall be accompanied by a statement showing the basis therefor and the method employed in the computation. The Agency shall approve the rates to be used in computing amortization and no other rates shall be used, except that carriers may use, on an interim basis, reasonable estimated rates for classes of property for which rates have not previously been approved. If such estimated rates are used in the preparation of financial results, the carrier is not required to restate these results upon the approval of amortization rates differing from the estimated ones.

**Review of Rates**

- .12 For each property account or group of property accounts representing amortizable property, the carrier shall review the amortization rate at intervals of not more than seven years. Such reviews shall include studies (of the type described in Section 1311.10) providing support for the rate filed. Records of such studies shall be filed with the Agency.
- .13 When gross additions to, or retirements from, a property account or group of property accounts for which a amortization rate has been established aggregate in a five year period, 15% or more of the gross investment in the account or group, a review of the rate shall be carried out within one year unless the rate has been reviewed within the five preceding years.
- .14 If the estimated service lives of assets in a group have changed by 15% or more from one rate review to the next, the rate shall be reviewed within five years of the most recent review.

- A lease is the conveyance, by a lessor to a lessee, of the right to use a tangible asset usually for a specified period of time in return for rent. .01
- A capital lease is a lease that, from the point of view of the lessee, transfers substantially all the benefits and risks incident to ownership of property to the lessee. .02
- A sales-type lease is a lease that, from the point of view of the lessor, transfers substantially all the benefits and risks incident to ownership of property to the lessee and, at the inception of the lease, the fair value of the leased property is greater or less than its carrying amount, thus giving rise to a profit or loss to the lessor. .03
- A direct financing lease is a lease that, from the point of view of the lessor, transfers substantially all the benefits and risks incident to ownership of property to the lessee and, at the inception of the lease, the fair value of leased property is the same as its carrying amount to the lessor. A lease would not be precluded from being classified as a direct financing lease after it is renewed or extended even though the carrying amount of the property at the end of the original lease term is different from its fair value at that date. .04
- An operating lease is a lease in which the lessor does not transfer substantially all the benefits and risks incident to ownership of the property. .05
- The foregoing paragraphs provide general criteria for the identification of various types of leases for accounting purposes. It is desirable, however, that more precise guidelines be established and be followed in order to achieve uniformity of accounting among railways. Accordingly, the following supplementary criteria are established to assist in distinguishing operating leases from capital, sales-type and direct financing leases. .06
- Normally, a lease which has a term which is less than 75% of the economic life of the leased property or provides for minimum lease payments whose present value is less than 90% of the fair value of the leased property is to be considered an operating lease. Other leases are to be considered capital leases by the carrier as lessee or as sales-type or direct financing leases by the carrier acting as lessor. .07
- Leases having a term of three years or less and involving payments totalling \$10,000 or less per annum may be classified as operating leases regardless of their nature. .08
- A carrier who intends to account for a lease in a way that violates any of these supplementary criteria shall report the facts and the proposed accounting treatment to the Agency to determine whether the proposed accounting treatment is acceptable. .09



The requirements that property records for assets in the Way and Structures Group include the location of the asset (Reference: Section 1301) and that accounts for the same asset group be recorded by geographic cost centre (Reference: Section 1702, preamble to the way and structures account texts) may be delayed in the case of existing balances until a time to be determined by the Agency. All new investment in the way and structures group is to be recorded by geographic cost centre. .01



The process of subdividing existing property account balances involves the implementation of revised amortization rates for each of the newly created property account headings as well as reallocation of accumulated amortization balances. This process is expected to extend over several years until the procedure contemplated in Section 1311.12 Review of Rates of the UCA is capable of being followed (i.e., until all the rates have been initially revised). In the interim, as property accounts and the related accumulated amortization accounts are subdivided, amounts may become identified as under- or over-provisions for amortization with respect to some property accounts. At the same time, there will remain certain other accounts, which, when analyzed later, may also contain under- or over-provisions for amortization. These provisions may be off-setting due to deficiencies in the methods of assigning accumulated amortization balances to property account balances at the time the existing balances were first sub-divided many years ago. As an interim measure the Agency, upon request by carrier, will authorize the collection of such under- and over-provisions into a single interim accumulated amortization account entitled "Unallocated Accumulated Amortization - Property" (Account 33.2). It is intended that this account balance be used until all property account balances and related accumulated amortization account balances have been established in accordance with the UCA. The Agency will, when authorizing the use of Account 33.2, specify the date by which it must be disposed of. .01



# revenue accounting instructions

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The revenue accounts are designed to record all revenues which the carrier recognizes as earned in respect of rail transportation and operations incidental to rail transportation.

**Freight Revenue Recognition**

Freight revenue is recognized on the percentage of completion method. Interline .01  
movements are deemed complete when the shipment is turned over to the  
connecting carrier. Costs associated with uncompleted portions of movements for  
which revenue has not been recognized shall be deferred.

**Passenger Revenue Recognition**

Passenger revenue is recognized at the time of ticket use (or sale in the case of .02  
commuter traffic). Tickets sold and not used after two years should also be  
recognized.

**Recognition of Revenue from Government Payments**

Revenue from government payments is recognized when it is capable of being .03  
estimated.



All adjustments to revenue are to be recorded in the revenue accounts to which they apply except that losses resulting from inability to collect amounts receivable from customers are to be charged to Account 9 - Allowance for Doubtful Accounts. .01



# expense accounting instructions

SECTION 1500

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The expense accounts are designed to record the expenses of furnishing rail transportation service. In addition to rail operating costs, such expenses include maintenance and amortization of the plant used in such service, costs of related transportation services, and related administrative and other general costs. .01

### Natural Expense Categories

All expense accounts are to be subdivided into "Labour", "Material" and "Other" components. .02

"Labour" consists of compensation payable to employees for services performed, and for vacations, holidays and sick time, and other payments for time not worked, including amounts payable under profit sharing and stock option plans that are included in employee compensation.\* .03

\***Note:** The Canadian Transportation Agency may, for its regulatory purposes and at its discretion, give special consideration to stock-based forms of employee compensation.

"Material" consists of the cost of items installed or commodities consumed which are charged to expense, including charges to expense for all materials, amortization of plant and equipment, small tools, supplies, fuels, lubricants, purchased standard stationery and forms, foreign freight-in on materials and supplies, discounts on purchases, provincial sales tax and similar items. .04

"Other" consists of any expense components not included in "Labour" and "Material". This includes all payments for purchased services, including contract work, utilities, transportation and communications. Travel and personal expenses of employees are included in this category. It also includes payments for loss and damage claims, taxes (other than those directly related to labour or material) and charges from related corporate divisions for services performed. .05



The texts of many of the expense accounts specify that they are to be recorded by geographic cost centre. This term is used to denote a geographic unit smaller than the region. .01

### **Costs not Attributable to Geographic Cost Centres**

It is recognized that not all costs recorded in the accounts to be recorded by geographic cost centre can reasonably be attributed to particular geographic cost centres. To the extent that costs are incurred at the regional and system levels or at other levels of aggregation higher than the geographic cost centre, they may be recorded as such. The following types of cost, however, should not be regarded as regional expense: costs of way and structure maintenance gangs who are directly responsible to regional-level officers, and costs which can be identified with a particular supervisor or foreman whose territory includes parts of two or more geographic cost centres. In both of these cases, expenses should be attributed to the particular cost centres in which the work was done. To the extent possible, this should be done by using specific records of work performed; otherwise, through a reasonable method of allocation. .02

### **Natural Expense Categories**

The instructions outlined in Section 1501.01 shall apply to amounts recorded by geographic costs centre and to amounts recorded at other levels in accordance with Instruction 1502.02. .03

### **Equipment-Type Schedules**

Several equipment maintenance and servicing accounts are to be recorded by equipment-type and by geographic cost centre. In these cases, the provision for geographic cost centre recording applies only to the total amount in the account, not to the individual equipment-type categories. .04

### **Fuel Accounts**

Fuel costs are to be recorded by type of service in Accounts 619, 623, 627 and 651. Records are also to be maintained of the total fuel costs (i.e., aggregate of Accounts 619, 623, 627 and 651) by geographic cost centre if these costs are used in cross sectional regression analysis. .05



The UCA stipulates that all property accounts (UCA Section 1702 accounts 101 to 163) in the way and structures group except account 113, Used Track Material in Store, are to be recorded by geographic cost centre. For these accounts the subdivisions shall be the cost centre. .11

Reference: Schedule CN-1

All expense accounts (UCA Section 1705 accounts 400 to 751) in the way and structures, equipment and railway operation, except accounts 671, 673 and 681; and operating statistics S-21, S-23B\*, S-25, S-31 and S-51 (UCA Section 1800) the areas shall be the cost centre. .12

Reference: Schedule CN-2

Expense accounts 671 and 673; and operating statistics S-23B\* the dispatcher's territories shall be the cost centre. .13

Reference: Schedule CN-3

All expense accounts (UCA Section 1705 accounts 400 to 751) in the way and structures, equipment and railway operation, except accounts 671, 673 and 681; and operating statistics S-21, S-23B\*, S-25, S-31 and S-51 (UCA Section 1800) the districts shall be the cost centre. .14

Reference: Schedule CN-4

\* Statistics S-23B, the cost centre shall be both the area and dispatcher's territory.

**[the next page is 63]**



Champlain  
Great Lakes  
Plains  
La Verendrye  
Pacific



The UCA stipulates that all property accounts (UCA Section 1702, accounts 101 to 163) in the way and structures group except account 113, Used Track Material in Store, are to be recorded by geographic cost centre. For these accounts the property section shall be the cost centre. .41

Reference: Schedule CP-1

All expense accounts (UCA Section 1705, accounts 400 to 75 1) in the way and structures, equipment and railway operation; and operating statistics S-03, S-21, S-25, S-27, S-31, S-41A and S-51 (UCA Section 1800) the division shall be the cost centre. .42

Reference: Schedule CP-2

**[the next page is 75]**



St. John  
Dominion Atlantic  
Montreal  
Quebec Central Railway  
Quebec  
Smiths Falls  
London  
Toronto  
Lake Erie, Northern and Grand River Railway (CP Electric Lines)  
Sudbury, Schreiber and Lakehead  
Alberta South  
Alberta North  
Calgary  
Revelstoke  
Vancouver  
Moose Jaw  
Saskatoon  
Winnipeg  
Brandon  
Kootenay  
Canyon



Vacation pay expense is to be recorded in the accounts in which wages and salaries are recorded. .01



Recoveries of amounts included in railway expense accounts shall be credited to the accounts to which the expenses have been charged. Sufficiently detailed records of recoverable amounts shall be kept to allow the inclusion or exclusion of such amounts in cost analyses, depending on the logic of the particular analysis concerned. .01



The cost of repairs to be included in maintenance accounts shall include: .01

- the cost of inspecting to determine what repairs are necessary;
- the cost of adjusting, repairing or replacing parts;
- the cost of inspections or tests to determine that repairs were properly made and that repaired item is ready for service;
- the cost of constructing and removing false work or temporary tracks in connection with maintenance.

For purposes of the maintenance accounts the elements of expense comprising cost of repairs - such as labour, material and supplies, work train service, vessel work service, special machine service, transportation, contract work, privileges, protection from casualties, injuries and damages and other analogous items - shall include all applicable elements described in Sections 1303.07 through 1303.22. Royalties paid for patent rights on mechanical appliances used in repairs shall be included in the cost of repairs. .02



To the extent possible, the cost of tools and supplies used in maintenance work shall be included in the accounts corresponding to the structures or equipment on which these items were used. Where this is not possible, such costs shall be included in Accounts 419 - Tools and Supplies and 575 - Shop Overheads. .01



The costs of work train service used in ballast maintenance shall be included in Account 409 - Ballast. All other work train service costs attributable to track and roadway maintenance shall be included in Account 401 - Track and Roadway Maintenance. .01



With the exception of repairs to tracks on car floats, all costs of track repair are to be recorded in Accounts 401, 403, 405, 406, 407 and 409, regardless of where the track is located. .01



The expense accounts in the Buildings group (page 1705.437) do not include costs for all buildings owned or used by the railway. Maintenance expenses of buildings which form a part of certain other facilities (signals, communication, terminals, fuel stations and multi-use power plants) are included in the maintenance expenses of such facilities. .01



- Equipment maintenance and servicing costs include the cost of maintaining and servicing the railway's own equipment and non-recoverable expense for the maintenance and servicing of the equipment of others used in the railway's service. .01
- The equipment repair accounts shall include foreign railways' freight charges for transporting the railway's equipment to shops for repairs and for transporting such equipment to the railway's line after repairs have been made. Repair costs shall include the costs of the railway's work train service in transporting equipment to and from shops and of operating switching locomotives when these are exclusively assigned to shops. It shall not include, however, the cost of transporting equipment to and from shops in revenue service trains. .02
- Cleaning of equipment in preparation for repair work as well as cleaning and other activities necessary to prepare equipment for service after repairs are considered part of repairs. .03
- Inspection to determine whether repairs are necessary is considered part of repair (as per Section 1505). However, where such inspection cannot reasonably be separated from servicing activities, the carrier shall include the cost in the equipment servicing accounts. .04



The Railway Operation activity accounts are generally service-specific: separate accounts are provided for yard, road freight and road passenger services for the most important elements of operating expense. Some operating expenses may, in fact, be common to two or more types of service. An example of this is the cost of fuel consumed by locomotives while idling between services. In all such cases, costs shall be allocated to accounts on some reasonable basis. .01



The cost of incidental cleaning of buildings grounds, platforms and other related facilities and the cost of heat, electric power and miscellaneous supplies for buildings are considered operational expenses. Such costs are not to be included in the building maintenance accounts. Wherever possible, these costs should be charged to the operation using the building or related facility. Where this is not possible, such costs should be included in Account 709, Building Operating Expenses. .01



- The following instructions apply only when the railway is a division of a larger corporate enterprise. .01
- Costs related to corporate management personnel with no involvement in rail are to be excluded from the railway accounts. An equitable share of the costs associated with corporate management personnel with a partial involvement in rail is to be included in the railway accounts. All costs associated with management personnel fully engaged in rail activities are to be included in the rail accounts. When such personnel are temporarily assigned to operations other than rail, the costs associated with the assignment are to be excluded from the rail accounts. .02
- When there are charges to a rail division from other corporate divisions, the carrier shall keep information supporting these charges in reasonable detail. The share of these costs attributed to rail must be based upon such factor(s) as are logically related to the various major components of the corporate and administrative charges in question (e.g., number of personnel, revenue, investment, expenses, or direct measures such as time applied). .03



When the railway is part of a corporate body, the methods of allocating income taxes as set out in the accounting principles generally accepted in Canada with respect to "Income Taxes" shall be used. .01



When the carrier transfers the risk of loss from fires and other accidents to insurers in consideration for premiums paid, the incurred premium costs are to be charged to Account 851 - Insurance. Recoveries on such insurance policies or contracts are to be credited against the expense or asset account to which the loss is related. .01

When the risks of loss are not transferred (self-insured) by the carrier to insurers, the costs of repairing damage are to be charged to the appropriate expense account as wages, materials or other services as the case may be. Assets destroyed are to be accounted for as if disposed of for the amount realized as salvage. Where claims are met for damages suffered by persons or to the property of others and such claims are self-insured the costs thereof are to be charged to the appropriate Injuries to Persons, Damage to Property, or Loss and Damage account. .02



As a general rule such taxes should be allocated to the accounts to which the related cost of materials and, in some cases, of services, are charged. Accordingly it follows that if provincial sales taxes are fully allocated no balance will arise in Account 843 - Provincial Sales Taxes. It is recognized that the two major railways, CN and CP, will encounter difficulty in fully allocating provincial sales taxes and in their cases the allocation process is limited to such taxes as are related to the cost of materials and services charged to Property Account 29 and to Locomotive Fuel Accounts 619, 623, 627 and 651. .01



In general, the Goods and Services Tax paid on the purchases of goods and services should be eligible for an input tax credit; therefore it must not be included in the cost, but registered as a current asset (Account #7 - Other Accounts Receivable). Taxes paid on purchases, ineligible for an input tax credit, must be included in the cost of the goods and services acquired. .01



# operating statistics instructions

SECTION 1600

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	- Consistency of Statistics	
	- Uses of Operating Statistics	
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	- VIA Train Operations	



Operating statistics are designed to provide measurements of railway operations and certain aspects of railway plant for cost analysis and other uses. .01

**Methods of Development**

Operating statistics must be developed in a logical and auditable fashion. Records must be maintained in a manner that will enable external examiners to trace the development of statistical data from the original source. .02

**Congruity with Accounts**

Operating statistics are to be defined and measured so as to be fully congruous with the accounts. They are to be developed in a form that enables them to be related to the accounts, primarily through the cost analysis process. Methods of development must be consistent with the costing use or uses of each statistic. .03

**Accuracy of Statistics**

Operating statistics are to be accurate in terms of both the quality of source data and the correctness of any arithmetic or mathematical operations on the data. Where possible, quantitative measures of the degree of accuracy associated with particular statistics or with any data base used in the development of operating statistics are to be developed. .04

**Consistency of Statistics**

Operating statistics must be developed in a fashion so as to be consistent among different parts of a railway and consistent in time (i.e. consistent from one year to another). The Agency is to be notified of any significant change in the method of development of any statistic. .05

**Uses of Operating Statistics**

Operating statistics are to be defined and measured in a manner which is satisfactory for their use in the development of unit costs in cost analysis. When used as a measure of work load for application of unit costs to particular branch lines, movements or services, operating statistics are to be developed in a manner consistent with their use in unit cost development. .06

Certain statistics may be defined or measured differently for certain non-costing purposes. In these cases, the differences are to be clearly indicated in order to avoid any inappropriate use of the statistics involved. .07



Instructions in this group are applicable to specific operating statistics. The particular statistic or statistics covered by each instruction is indicated in the text of the instruction itself. .01

### **Frequency of Development**

Statistics developed from the conductor's journal or from the waybill shall be developed monthly. As an aid to accuracy, monthly figures shall be examined for any discrepancies, anomalies or significant unexplained deviations from results expected. .02

If after the development of any month's statistics errors are found in the statistics, these errors shall be corrected. Annual totals reported to the Agency and used in cost analysis shall embody all such corrections. .03

### **Records Rejected**

For computerized data bases used in the development of operating statistics from waybills and conductor's journals, records shall be maintained of data rejected due to uncorrected error conditions. .04

### **Treatment of Equipment on Capital Lease**

In the development of statistics related to rail equipment (Locomotive Miles, Freight Car Miles, Freight Car Days, Passenger Car Miles, Passenger Car Days) items of equipment on capital lease to the carrier shall be regarded as owned by the carrier. .05

### **VIA Train Operations**

In the development of train operation statistics (Section 1803), VIA trains shall be regarded as part of the operating carrier's operations. .06



# chart of accounts

**SECTION 1700**

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Account	Page No.	Account Separations	
		Geographic	Equipment-Type
<b>Current Assets</b>	1701.13		
1 Cash			
3 Temporary Investments			
5 Accounts Receivable – Trade			
7 Other Accounts Receivable			
9 Allowance for Doubtful Accounts			
11 Material and Supplies			
13 Prepaid Expenses			
15 Other Current Assets			
17 Future Income Taxes (Current)			
<b>Non-Current Assets</b>	1701.33		
21 Segregated Assets			
23 Long-Term Accounts Receivable			
25 Long-Term Investments			
27 Long-Term Intercompany Investments			
29 Property			
31 Construction In Progress			
33 Accumulated Amortization - Property			
35 Deferred Charges			
36 Future Income Taxes (Non-current)			
37 Intangible assets			
39 Retired Property			
<b>Current Liabilities</b>	1701.55		
41 Bank Loans			
43 Loans from Government of Canada			
45 Accounts Payable			
47 Accrued Liabilities			
49 Notes and Other Loans Payable			
51 Income and Other Taxes Payable			
52 Future Income Taxes (Current)			
53 Dividends Payable			
54 Stock-Based Employee Compensation Liabilities – Current			
55 Deferred Revenue			
57 Long-Term Debt Maturing Within One Year			
58 Lease Obligations Due Within One Year			
59 Other Current Liabilities			

**balance sheet accounts**

Account	Page No.	Account Separations	
		Geographic	Equipment-Type
<b>Non-Current Liabilities</b>	1701.74		
61 Deferred Liabilities			
63 Future Income Taxes (Non-current)			
65 Long-Term Debt			
67 Lease Obligations			
69 Other Deferred Credits - Long Term			
71 Minority Shareholders' Interest in Subsidiary Companies			
73 Donations and Grants			
74 Investment Tax Credits			
75 Stock-Based Employee Compensation Liabilities - Non-current			
<b>Shareholders' Equity</b>	1701.87		
81 Share Capital			
83 Contributed Surplus			
85 Retained Earnings			
87 Net Investment in Rail Assets			

**SECTION 1701****current assets**

---

**1     Cash**

Include cash on hand and unrestricted demand deposits with banking institutions and trust companies.

**3     Temporary Investments**

Include term deposits with banks and trust companies, short-term treasury bills and other securities which have a ready market.

**5     Accounts Receivable – Trade**

Include all balances from customers, other carriers and agents and employees authorized to collect or hold receipts, which are due within one year and arise in the ordinary course of business.

**7     Other Accounts Receivable**

Include all balances due within one year arising from transactions other than those directly related to normal revenues, such as accrued interest receivable, dividends receivable, negotiated settlements, sales of property, the current part of long-term receivables, claims, input tax credits in the case of the Goods and Services Tax, etc.

**9     Allowance for Doubtful Accounts**

Include an adequate allowance for that portion of accounts receivable included in Accounts 5 and 7 whose collection is doubtful.

**11    Material and Supplies**

Include all materials, supplies, fuel and other items held for future use or disposal, other than track material recorded in Account 113 - Used Track Material in Store.

**13    Prepaid Expenses**

Include the unamortized portion of all prepaid expenses.

## **balance sheet accounts**

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### 15 Other Current Assets

Include all accountable advances to agents, officers, employees, associations, bureaus, deferred costs related to uncompleted freight movements, etc., and any other assets of a current nature whose inclusion is not expressly provided for elsewhere.

### 17 Future Income Taxes (Current)

Include the amounts of income tax benefits arising in respect of:

- i) deductible temporary differences;
- ii) the carryforward of unused tax losses; and,
- iii) the carryforward of unused income tax reductions, except for Investment Tax Credits.

21 Segregated Assets

Include all assets whose use is restricted to special purposes as defined in legal obligations

23 Long-Term Accounts Receivable

Include all balances due after one year.

25 Long-Term Investments

Include all portfolio investments.

27 Long-Term Intercorporate Investments

Include investments in and advances to subsidiary companies, and corporate and unincorporated joint ventures the operations of which are deemed to be an integral part of the rail transportation system of the company, except where such investments represent, in substance, the acquisition of property included in Account 29.

29 Property

Include the cost of all property recorded in Accounts 101 to 195.

31 Construction in Progress

Include the cost of assets not yet available for use in rail transportation operations.

*Reference: Instruction 1304*

33 Accumulated Amortization – Property

Include accumulated amortization and record in sub-accounts as follows:

33.1 Accumulated amortization recorded in Accounts 202 to 295.

33.2 Unallocated accumulated amortization

*(Reference: Instruction 1314)*

## **balance sheet accounts**

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### 35 Deferred Charges

Include the unamortized amount of all deferred charges such as debt discount and expense, organization expense, deferred development costs and unabsorbed expenses relating to operations of gravel pits, sand pits and quarries.

### 36 Future Income Taxes (Non-current)

Include the cost of long-term future income taxes less amounts already paid in respect of these income taxes.

### 37 Intangible Assets

Include the unamortized amount of all intangible assets such as good will, franchises, patent rights, copyrights and trademarks.

### 39 Retired Property

Include the cost of land and other non-amortizable property no longer required for transportation purposes but retained by the railway.

Include the estimated value of salvage recoverable from retired property other than land when the recovery of the salvage is deferred for any reason.

Record in sub-accounts as follows:

- 39.1 Land and Other Non-Amortizable Property
- 39.2 Other

41 Bank Loans

Include all indebtedness to banks payable on demand or within one year.

43 Loans from Government of Canada

Include all balances due or maturing within one year.

45 Accounts Payable

Include all balances with suppliers, employees, interline companies or other creditors which are due within one year.

47 Accrued Liabilities

Include all estimated balances owing within one year which arise from the incurrence or recognition of expenses not supported by a demand for payment.

49 Notes and Other Loans Payable

Include all such obligations due on demand or within one year.

51 Income and Other Taxes Payable

Include all taxes on income, taxes collected on behalf of others, and other taxes due within one year, and Goods and Services Tax payable.

52 Future Income Taxes (Current)

Include the amounts of income taxes arising from taxable temporary differences.

53 Dividends Payable

Include all dividends declared and not paid.

54 Stock-Based Employee Compensation Liabilities – Current

Include the amounts awarded to employees under profit sharing and stock option plans, including stock appreciation rights (SARs) that call for settlement in cash.

55 Deferred Revenue

Include all balances pertaining to revenues billed or collected but not earned.

**balance sheet accounts**

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57 Long-Term Debt Maturing within One Year

Include that portion of long-term debt which matures within one year or has matured but is unpaid.

58 Lease Obligations Due within One Year

Include that portion of leases which is due within one year or is due but is unpaid.

59 Other Current Liabilities

Include all liabilities of a current nature whose inclusion is not expressly provided for elsewhere.

61 Deferred Liabilities

Include all liabilities of a long-term nature whose inclusion is not expressly provided for elsewhere.

63 Future Income Taxes (Non-current)

Include the amounts of long-term income taxes arising from taxable temporary differences.

65 Long-Term Debt

Include the long-term balance of all mortgages and other long-term obligations such as bonds, debentures and similar securities.

67 Lease Obligations

Include the long-term balance of all capital lease obligations.

69 Other Deferred Credits – Long-Term

Include the unamortized balance of premiums derived from the issuance of debt securities at prices in excess of their face amount and other deferred credits not provided for elsewhere.

71 Minority Shareholders' Interest in Subsidiary Companies

Include minority shareholders' interest in the capital and other equity accounts of consolidated subsidiary companies.

73 Donations and Grants

Include the unamortized amounts of all donations and grants received as assistance related to the acquisition of property.

Include:

- all such amounts received after January 1, 1982;
- any such amounts received under the Prairie Branch Line Rehabilitation Program prior to January 1, 1982.

74 Investment Tax Credits

Include the unamortized amounts of all Investment Tax Credits related to eligible property acquired on or after January 1, 1985.

**balance sheet accounts**

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75 Stock-Based Employee Compensation Liabilities – Non-current

Include the amounts awarded to employees under profit sharing and stock option plans, including stock appreciation rights (SARs), that call for settlement in cash.

**81**    Share Capital

Include the balances resulting from the issuance, redemption and acquisition of shares of each class.

**83**    Contributed Surplus

Include amounts paid in by shareholders in excess of amounts allocated to share capital. Also include gains on forfeited shares, proceeds from donated shares and credits arising from redemption or conversion of shares at less than the amount recorded as share capital. Also include as deductions from contributed surplus any charges which are the direct opposite of credits previously carried to contributed surplus and any charge made to eliminate or reduce a deficit, when made with the approval of shareholders.

While contributed surplus, in general, arises from dealings with shareholders, it may, in certain circumstances, include contributions of capital from other sources (e.g., donations and grants received in respect of property acquired prior to 1982).

Record in sub-accounts as follows:

83.1 Donations and grants received prior to 1982, other than amounts received under the Prairie Branch Line Rehabilitation Program prior to January 1, 1983 (Reference: Account 73).

83.2 Other Contributed Surplus.

83.3 Stock-based compensation expense related to profit sharing and stock option plans, including stock appreciation rights (SARs) that call for settlement by granting equity instruments.

83.4 Revaluation of assets and liabilities resulting from push-down accounting.

**85**    Retained Earnings

Include the balance of retained earnings representing the accumulated balance of income less losses arising from the operation of the business, after taking into account dividends, refundable taxes and other amounts that may properly be charged or credited thereto.

**87**    Net Investment in Rail Assets

This account is to be used when Canadian rail operations, as defined in Instruction 1202.01 are carried on by a separate rail division or branch of a corporation. The account will reflect transactions between the Rail Division and its Corporate Head Office.



Account	Page No.	Account Separations	
		Geographic	Equipment-Type
<i>WAY AND STRUCTURES</i>			
<b>Track and Roadway</b>	1702.102		
101 Land		Cost Centre	
102 Grading		Cost Centre	
103 Rail		Cost Centre	
105 Ties		Cost Centre	
106 Paved Concrete Trackbed (PACT System)		Cost Centre	
107 Other Track Material		Cost Centre	
109 Ballast		Cost Centre	
111 Track Laying and Surfacing		Cost Centre	
113 Used Track Material in Store			
115 Bridges		Cost Centre	
117 Culverts		Cost Centre	
119 Tunnels		Cost Centre	
121 Fences, Snow Sheds and Rock Sheds		Cost Centre	
123 Public Improvements		Cost Centre	
125 Other Right-of-Way Property		Cost Centre	
<b>Buildings</b>	1701.133		
131 Office and Common Buildings		Cost Centre	
133 Office and Common Buildings Moveable Equipment and Machinery		Cost Centre	
135 Passenger Stations		Cost Centre	
137 Passenger Station Moveable Equipment		Cost Centre	
139 Roadway Buildings		Cost Centre	
141 Roadway Building Machines and Moveable Equipment		Cost Centre	
143 Equipment Repair Shops		Cost Centre	
145 Shop Machinery and Moveable Equipment		Cost Centre	
147 Leasehold Improvements		Cost Centre	

**property accounts**

Account	Page No.	Account Separations	
		Geographic	Equipment-Type
<b>Signals, Communications and Power</b>	1701.149		
149 Signals		Cost Centre	
151 Rail Communication Systems		Cost Centre	
<b>Terminals and Fuel Stations</b>	1701.163		
157 Intermodal Terminals		Cost Centre	
159 Rail Freight Terminals		Cost Centre	
161 Marine Terminals		Cost Centre	
163 Fuel Stations		Cost Centre	
<i>EQUIPMENT</i>			
<b>Rolling Stock – Revenue Service</b>	1702.175		
171 Locomotives			Schedule A
173 Freight Cars			Schedule C
175 Passenger Cars			Schedule H
<b>Intermodal Equipment</b>	1702.181		
177 Intermodal Terminal Handling Equipment			
179 Trailers, Semi-Trailers, Containers, Chassis and Bogies			
181 Highway Tractors			
<b>Work Equipment and Roadway Machines</b>	1702.189		
183 Roadway Machines		Region	
187 Work Equipment			
189 Other Non-Revenue Rolling Stock			
<b>Other Equipment</b>	1702.195		
191 Marine Equipment			
195 Miscellaneous Equipment			

The property accounts are sub-accounts of Balance Sheet Account 29 – Property and are divided into two activity categories: Way and Structures, and Equipment.

### *WAY AND STRUCTURES*

This category consists of four groups of accounts. All Way and Structures accounts are to be recorded by geographic cost centre, except Account 113 – Used Track Material in Store.

**Track and Roadway** – This group consists of accounts which record the cost of property associated with the carrier's track and roadway.

#### 101 Land

Include:

- the cost of land acquired or leased by the railway of an area necessary and sufficient for railway operations or appurtenances and the attendant costs of water and riparian rights;
- the cost of irregular parcels of land, acquired in conjunction with land acquired for railway operations, which have no commercial value.

#### 102 Grading

Include:

- the cost of clearing and grading the roadway and of constructing protection for the roadway, tracks, embankment and cuts;
- the cost of fill, including the cost of temporary trestles as well as all or part of permanent bridges or trestles converted by filling into an earth embankment;
- the cost of clearing, grubbing and excavating when converting a tunnel into an open cut.

**property accounts**

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103 Rail

Include:

- the cost of rails laid;
- the cost of welding continuously welded rail;
- the cost of rail end hardening in conjunction with laying new rail.

Record in sub-accounts as follows:

- 103.2 Rail in first position.
- 103.3 Rail in other than first position.

Transposition of rail on curves is not considered a change in position for the purpose of accounting for rail.

*Do not include:*

- *the cost of rail used in the construction of car floats;*
- *the cost of rail in temporary tracks.*

105 Ties

Include:

- the cost of cross, switch, bridge and other track ties used in tracks for the movement or storage of locomotives and cars.

Record by type of tie as follows:

- 105.1 Wood ties.
- 105.2 Concrete ties

*Do not include:*

- *the cost of ties used in the construction of car floats;*
- *the cost of ties used in temporary tracks.*

106 Paved Concrete Trackbed (PACT System)

Include the cost of labour and material associated with the construction of concrete slabs (PACT system).

*Do not include the cost of rail and all track fastening materials.*

## property accounts

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### 107 Other Track Material

Include the cost of material used in tracks for the movement and storage of locomotives and cars except material chargeable to Accounts 102, 103, 105 and 109.

Record by type of other track material as follows:

107.1 Rail fastenings.

107.2 Other.

*Do not include:*

- *the cost of other track material used in the construction of car floats;*
- *the cost of other track material used in the construction of temporary tracks.*

### 109 Ballast

Include:

- the cost of material used in ballasting tracks;
- the cost of work train service for the laying and distribution of the ballast.

*Do not include:*

- *the cost of ballast used in the construction of temporary tracks;*
- *the cost of earth placed to form a crown in the middle of the track;*
- *the cost of ballast material placed on the decking of bridges solely for fire protection purposes.*

### 111 Track Laying and Surfacing

Include the cost of labour in unloading, distributing and installing ties, rails and other track material in the construction of new track and work train service in connection with the delivery and distribution of the material.

*Do not include:*

- *costs related to temporary tracks or tracks on car floats;*
- *the cost of work train service delivering and distributing ballast.*

113 Used Track Material in Store

Include the cost of track material which has been used and is expected to be re-used.

115 Bridges

Include:

- the cost of foundations and structures of bridges and trestles which carry tracks over watercourses, undergrade crossings, ravines, public and private highways and other railways;
- the cost of ballast material placed on the decking of bridges solely for the purpose of fire protection.

*Do not include the cost of all or part of a bridge or trestles converted by filling into an earth embankment.*

117 Culverts

Include the cost of structure and lining of culverts which pass under the tracks.

119 Tunnels

Include the cost of tunnels and subways for the passage of trains and the necessary ventilation, lighting apparatus and safety devices therein.

*Do not include:*

- *the cost of signal devices*
- *the cost of tracks, including guardrails*

121 Fences, Snow Sheds and Rock Sheds

Include:

- the cost of fences, farm gates, cattle guards, aprons and hedges on property not previously fenced;
- the cost of snow sheds and rock sheds, and the initial cost of planting protective tree screens for the track.

## property accounts

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*Do not include:*

- *the cost of fences, other than right-of-way or boundary fences, around stockyards, fuel and water stations, and other building sites;*
- *the cost of signs indicating bridges, signals, stations and other structures (these are to be included in the structures in question);*
- *the cost of crossing signals and crossing gates.*

### 123 Public Improvements

Include:

- Amounts assessed the carrier under governmental authority for the cost of public crossing under or over the railway right-of-way where the carrier is required to bear all or part of the cost of maintenance of the crossing;
- Costs borne by the carrier in excess of the cost of railway facilities in connection with joint public improvement projects.

### 125 Other Right-of-Way Property

Include any costs not otherwise include in these accounts of facilities installed for improvement projects.

*Do not include costs of public improvement projects.  
(Reference: Account 123)*



This group consists of accounts which record the cost of buildings, their machinery, power systems and moveable equipment.

131 Office and Common Buildings

Include:

- the cost of office buildings used principally for general administration;
- the cost of yard buildings, freight customer service centres, stations used principally to house train order operators and any buildings used principally in support of rail operations not provided for elsewhere;
- the cost of office buildings used in support of more than one rail activity;
- the cost of buildings housing multi-use power plants
- (Reference: Account 465);
- the cost of buildings functioning as both stations and office buildings where such costs cannot reasonably be assigned to one of the two functions;
- the cost of built-in fixtures necessary to equip for service buildings in any of the above categories.

*Do not include:*

- *temporary buildings erected on construction sites;*
- *office buildings attached to shops or roadway buildings which serve those functions.*

133 Office and Common Buildings Moveable Equipment and Machinery

Include:

- the cost of moveable equipment necessary to equip for service buildings for which investment is recorded in Account 131;
- the cost of power transmission systems with multi-use power plants.

Record as follows:

- 133.1 General purpose computers.
- 133.2 Power plant machinery (associated with multi-purpose power plants).
- 133.3 Other moveable equipment.
- 133.4 Power transmission systems (associated with multi-purpose power plants).
- 133.5 System and application software.

## property accounts

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### 135 Passenger Stations

Include the cost of buildings used principally as passenger stations and all built-in fixtures necessary to equip them for service.

### 137 Passenger Station Moveable Equipment

Include the cost of passenger station moveable equipment necessary to equip passenger stations for service.

### 139 Roadway Buildings

Include the cost of roadway shops and other buildings which support the carrier's road maintenance and construction functions including all built-in fixtures necessary to equip them for service.

### 141 Roadway Building Machines and Moveable Equipment

Include the cost of machinery and moveable equipment necessary to equip for service buildings for which investment is recorded in Account 139.

### 143 Equipment Repair Shops

Include the cost of buildings used as equipment repair shops, engine houses and store houses for material for maintenance of equipment, including foundations except special foundations for shop machines. Include the cost of shop offices and any other buildings used principally in support of the equipment repair function.

### 145 Shop Machinery and Moveable Equipment

Include the cost of shop machinery (including the cost of special foundations and installations) and of moveable equipment and other apparatuses necessary to equip for service buildings for which investment is recorded in Account 143.

### 147 Leasehold Improvements

Include the cost of improvements made to property which is held under lease, where such improvements revert to the lessor upon termination of the lease and the lessee is not reimbursed by the lessor for the improvements. Do not include any such cost related to railway lines held under long-term lease (i.e. where the term of the lease exceeds the normal service life of the assets involved).

This group consists of accounts which record the costs of signals, rail communications and electrified rail systems and their attendant power systems.

#### 149 Signals

Include:

- the cost of signals and interlocking apparatus for governing the movements of locomotives, cars and trains;
- the cost of towers and other directly connected buildings, furniture, fixtures and machinery used primarily for signal or interlocking functions;
- the cost of roadway installations for train control and remote control including the cost of initial tests for such installations;
- the cost of power plants and transformers used primarily for the operations of signals and interlockers;
- the cost of crossing signals and crossing gates;
- the cost of specialized hump yard devices including retarders, compressors and electronic equipment;
- the cost of other signal devices including slide detectors, hot box detectors and ACI scanners.
- the cost of end train units (ETU) and related systems.

Record by type of devices as follows:

- 149.1 Track signals.
- 149.2 Hump yard devices.
- 149.3 Crossing protection.
- 149.4 Other.
- 149.5 End train units (ETU) and related systems.

*Do not include:*

- *the cost of buildings in which signal and interlocking apparatus is located whose primary purpose is related to other than signal type functions;*
- *the cost of track material used in connection with interlockers;*
- *the cost of labour expended in the installation of connections between the switch stand and the derail, and the cost of the devices for throwing the derail, when derails are arranged so as to be thrown from switch stands.*

## property accounts

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### 151 Rail Communication Systems

Include the cost of rail telegraph, telephone, radio, radar, inductive train communication and other rail communication systems, including terminal equipment and buildings assigned principally to rail communications operations.

Record by type of facility or device as follows:

- 151.1 Buildings.
- 151.3 Other communication devices.
- 151.4 Pole lines.

*Do not include:*

- *the cost of radio, radar and trainphone equipment permanently attached to locomotives, cars, work equipment, other rolling stock or floating equipment used in water transfer service;*
- *the cost of radio equipment for instruction, advertising or entertainment;*
- *the cost of communication systems of limited extent, not connected with other systems, used for special purposes and usually installed within a single building, group of buildings or within the limits of a station, shop or yard;*
- *the cost of test sets.*

This group consists of accounts which record the cost of terminals and fuel stations.

157 Intermodal Terminals

Include the cost of intermodal terminals and the fixtures and appurtenances necessary to equipment them.

159 Rail Freight Terminals

Include the cost of pool car, bulk, auto and other rail freight terminals, including:

- the cost of buildings and other fixed facilities;
- the cost of fixtures and appurtenances, including moveable equipment, necessary to equip such terminals.

Include the cost of passenger station moveable equipment necessary to equip passenger stations for service.

161 Marine Terminals

Include:

- the cost of wharves, docks, slips, floats, bridges and other landings for vessels including the cost of necessary dredging;
- the cost of float bridge machinery;
- the cost of piling, pile protection, cribs, cofferdams, walls and other necessary devices and apparatus for the operation or protection of wharves and docks;
- the cost of rail marine buildings and the fixtures and appurtenances necessary to equip such buildings;
- the cost of terminal handling equipment required at rail marine terminals.

*Do not include:*

- *the cost of land on which rail marine terminals are built;*
- *the cost of rail, ties, ballast and other track material used in the construction of rail marine terminals.*

163 Fuel Stations

Include the cost of structures, facilities and appliances necessary to equip for service, stations for supplying fuel to locomotives, rail diesel cars and steam generators.



*EQUIPMENT*

This category consists of four groups of accounts designed to show the cost of equipment used in revenue service and other equipment used by the carrier.

**Rolling Stock - Revenue Service** – This group consists of accounts which record the cost of locomotives, freight cars and passenger cars.

171 Locomotives

Include the cost of locomotives, generator units and robot cars purchased, built or leased by the railway.

Record by type of locomotive as set out in Schedule A. (*Section 1901*)

173 Freight Cars

Include the cost of freight cars of all classes, purchased, built or leased by the railway.

Record by type of freight car as set out in Schedule C. (*Section 1903*)

175 Passenger Cars

Include the cost of passenger cars of all classes, purchased, leased or built by the railway.

Record by type of passenger car as set out in Schedule H. (*Section 1908*)



This group consists of accounts which record the cost of intermodal terminal handling equipment, trailers, semi-trailers, containers, chassis and bogies, and automotive tractors.

177 Intermodal Terminal Handling Equipment

Include the cost of terminal handling equipment used to transfer containers, trailers and semi-trailers to and/or from rail cars including mobile gantry cranes, top lifters and yard tractors.

179 Trailers, Semi-Trailers, Containers, Chassis and Bogies

Include the cost of trailers, semi-trailers, containers, chassis and bogies used in intermodal rail operations.

181 Highway Tractors

Include the cost of highway tractors used in intermodal transportation.



This group consists of accounts which record the cost of work equipment and roadway machines

183 Roadway Machines

Include the cost of machines, other than machines classified as work equipment (*Ref.: Account 187*), provided for the purpose of maintaining, improving and/or constructing way and structures.

Record by region.

187 Work Equipment

Include:

- the cost of equipment permanently mounted for movement on tracks (i.e. couplers attached) provided for the purpose of maintaining, improving and/or constructing way and structures;
- the cost of vessel equipment used as work equipment.

189 Other Non-Revenue Rolling Stock

Include the cost of equipment permanently mounted for movement on tracks (i.e. couplers attached) provided for purposes other than revenue service or the maintaining, improving and/or construction of way and structures.



This group consists of accounts which record the costs of rail marine equipment, buses and miscellaneous equipment.

*(Reference: Instruction 1202).*

191 Marine Equipment

Include the cost of marine or floating equipment of all kinds used in revenue transportation operations.

195 Miscellaneous Equipment

Include the cost of trucks, automobiles and other vehicles not included elsewhere.



Account	Page No.	Account Separations	
		Geographic	Equipment-Type
<i>WAY AND STRUCTURES</i>			
<b>Track and Roadway</b>	1703.211		
202 Grading – Accumulated Amortization			
203 Rail - Accumulated Amortization			
205 Ties - Accumulated Amortization			
206 Paved Concrete Trackbed – Accumulated Amortization			
207 Other Track Material – Accumulated Amortization			
209 Ballast - Accumulated Amortization			
211 Track Laying and Surfacing – Accumulated Amortization			
215 Bridges - Accumulated Amortization			
217 Culverts - Accumulated Amortization			
219 Tunnels - Accumulated Amortization			
221 Fences, Snow Sheds and Rock Sheds – Accumulated Amortization			
223 Public Improvements – Accumulated Amortization			
225 Other Right-of-Way Property - Accumulated Amortization			

**accumulated amortization accounts**

Account	Page No.	Account Separations	
		Geographic	Equipment-Type
<b>Buildings</b>	1703.241		
231 Office and Common Buildings – Accumulated Amortization			
233 Office and Common Buildings Moveable Equipment and Machinery – Accumulated Amortization			
235 Passenger Stations – Accumulated Amortization			
237 Passenger Station Moveable Equipment – Accumulated Amortization			
239 Roadway Buildings – Accumulated Amortization			
241 Roadway Building Machines and Moveable Equipment – Accumulated Amortization			
243 Equipment Repair Shops – Accumulated Amortization			
245 Shop Machinery and Moveable Equipment - Accumulated Amortization			
247 Leasehold Improvements – Accumulated Amortization			
<b>Signals, Communications and Power</b>	1703.251		
249 Signals – Accumulated Amortization			
251 Rail Communication Systems – Accumulated Amortization			
<b>Terminals and Fuel Stations</b>	1703.263		
257 Intermodal Terminals – Accumulated Amortization			
259 Rail Freight Terminals – Accumulated Amortization			
261 Marine Terminals – Accumulated Amortization			
263 Fuel Stations – Accumulated Amortization			

**accumulated amortization accounts**

Account	Page No.	Account Separations	
		Geographic	Equipment-Type
<i>EQUIPMENT</i>			
<b>Rolling Stock – Revenue Service</b>	1703.275		
271 Locomotives – Accumulated Amortization			Schedule A
273 Freight Cars – Accumulated Amortization			Schedule C
275 Passenger Cars – Accumulated Amortization			Schedule H
<b>Intermodal Equipment</b>	1703.281		
277 Intermodal Terminal Handling Equipment – Accumulated Amortization			
279 Trailers, Semi-Trailers, Containers, Chassis and Bogies – Accumulated Amortization			
281 Highway Tractors – Accumulated Amortization			
<b>Work Equipment and Roadway Machines</b>	1703.289		
283 Roadway Machines – Accumulated Amortization			
287 Work Equipment – Accumulated Amortization			
289 Other Non-Revenue Rolling Stock – Accumulated Amortization			
<b>Other Equipment</b>	1703.299		
291 Marine Equipment – Accumulated Amortization			
295 Miscellaneous Equipment – Accumulated Amortization			
299 Other Accumulated Amortization			



The accumulated amortization accounts are sub-accounts of Balance Sheet Account 33 – Accumulated Amortization - Property and are divided into two activity categories: Way and Structures, and Equipment.

*WAY AND STRUCTURES*202 Grading – Accumulated Amortization

Record accumulated amortization re Account 102 – Grading.

203 Rail – Accumulated Amortization

Record accumulated amortization re Account 103 - Rail.

205 Ties - Accumulated Amortization

Record accumulated amortization re Account 105 – Ties.

Record by type of tie as follows:

205.1 Wood ties.

205.2 Concrete ties.

206 Paved Concrete Trackbed - Accumulated Amortization

Record accumulated amortization re Account 106 – Paved Concrete Trackbed.

207 Other Track Material - Accumulated Amortization

Record accumulated amortization re Account 107 – Other Track Material, and Account 113 – Used Track Material in Store.

Record by type of other track material as follows:

207.1 Rail fastenings.

207.2 Other.

209 Ballast – Accumulated Amortization

Record accumulated amortization re Account 109 – Ballast.

## accumulated amortization accounts

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211 Track Laying and Surfacing – Accumulated Amortization

Record accumulated amortization re Account 111 – Track Laying and Surfacing.

215 Bridges - Accumulated Amortization

Record accumulated amortization re Account 115 – Bridges.

217 Culverts – Accumulated Amortization

Record accumulated amortization re Account 117 – Culverts.

219 Tunnels – Accumulated Amortization

Record accumulated amortization re Account 119 – Tunnels.

221 Fences, Snow Sheds and Rock Sheds – Accumulated Amortization

Record accumulated amortization re Account 121 – Fences, Snow Sheds and Rock Sheds.

223 Public Improvements – Accumulated Amortization

Record accumulated amortization re Account 123 – Public Improvements.

225 Other Right-of-Way Property – Accumulated Amortization

Record accumulated amortization re Account 125 – Other Right-of-Way Property.

**231 Office and Common Buildings – Accumulated Amortization**

Record accumulated amortization re Account 131 – Office and Common Buildings.

**233 Office and Common Buildings Moveable Equipment and Machinery- Accumulated Amortization**

Record accumulated amortization re Account 133 – Office and Common Buildings Moveable Equipment and Machinery.

Record by type of equipment as follows:

233.1 General purpose computers.

233.2 Power plant machinery (associated with multi-purpose power plants).

233.3 Other moveable equipment.

233.4 Power transmission systems (associated with multi-purpose power plants).

233.5 System and application software.

**235 Passenger Stations – Accumulated Amortization**

Record accumulated amortization re Account 135 – Passenger Stations.

**237 Passenger Station Moveable Equipment – Accumulated Amortization**

Record accumulated amortization re Account 137 – Passenger Station Moveable Equipment.

**239 Roadway Buildings – Accumulated Amortization**

Record accumulated amortization re Account 139 – Roadway Buildings.

**241 Roadway Building Machines and Moveable Equipment – Accumulated Amortization**

Record accumulated amortization re Account 141 – Roadway Building Machines and Moveable Equipment.

**accumulated amortization accounts**

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243 Equipment Repair Shops – Accumulated Amortization

Record accumulated amortization re Account 143 – Equipment Repair Shops.

245 Shop Machinery and Moveable Equipment Accumulated Amortization

Record accumulated amortization re Account 145 – Shop Machinery and Moveable Equipment.

247 Leasehold Improvements – Accumulated Amortization

Record accumulated amortization re Account 147 – Leasehold Improvements.

249 Signals – Accumulated Amortization

Record accumulated amortization re Account 149 – Signals.

Record by type of devices as follows:

- 249.1 Track signals.
- 249.2 Hump yard devices.
- 249.3 Crossing protection.
- 249.4 Other.
- 249.5 End train units (ETU) and related systems.

251 Rail Communication Systems – Accumulated Amortization

Record accumulated amortization re Account 151 – Rail Communication Systems.

Record by type of facility or device as follows:

- 251.1 Buildings.
- 251.3 Other communication devices.
- 251.4 Pole lines.



257 Intermodal Terminals – Accumulated Amortization

Record accumulated amortization re Account 157 – Intermodal Terminals.

259 Rail Freight Terminals – Accumulated Amortization

Record accumulated amortization re Account 159 – Rail Freight Terminals.

261 Marine Terminals – Accumulated Amortization

Record accumulated amortization re Account 161 – Marine Terminals.

263 Fuel Stations – Accumulated Amortization

Record accumulated amortization re Account 163 – Fuel Stations.



*EQUIPMENT*271 Locomotives – Accumulated Amortization

Record accumulated amortization re Account 171 – Locomotives.

Record by type of locomotive as set out in Schedule A. (*Section 1901*)

273 Freight Cars – Accumulated Amortization

Record accumulated amortization re Account 173 – Freight Cars

Record by type of freight car as set out in Schedule C. (*Section 1903*)

275 Passenger Cars – Accumulated Amortization

Record accumulated amortization re Account 175 – Passenger Cars.

Record by type of passenger car as set out in Schedule H. (*Section 1908*)



277 Intermodal Terminal Handling Equipment – Accumulated Amortization

Record accumulated amortization re Account 177 – Intermodal Terminal Handling Equipment.

279 Trailers, Semi-Trailers, Containers, Chassis and Bogies- Accumulated Amortization

Record accumulated amortization re Account 179 – Trailers, Semi-Trailers, Containers, Chassis and Bogies.

281 Highway Tractors – Accumulated Amortization

Record accumulated amortization re Account 181 – Highway Tractors.



**accumulated amortization accounts    work equipment and roadway machines**

283    Roadway Machines – Accumulated Amortization

Record accumulated amortization re Account 183 – Roadway Machines.

287    Work Equipment – Accumulated Amortization

Record accumulated amortization re Account 187 – Work Equipment.

289    Other Non-Revenue Rolling Stock – Accumulated Amortization

Record accumulated amortization re Account 189 – Other Non-Revenue Rolling Stock.



291 Marine Equipment – Accumulated Amortization

Record accumulated amortization re Account 191 – Marine Equipment.

295 Miscellaneous Equipment – Accumulated Amortization

Record accumulated amortization re Account 195 – Miscellaneous Equipment.

299 Other Accumulated Amortization

Record accumulated amortization re the write-down of the net book value of assets in Eastern Canada which occurred in the year 1995. The use of this account in future years must be authorized by the Agency.



Account	Page No.	Account Separations	
		Geographic	Equipment-Type
<b>Freight Revenue</b>	1704.302		
301 Freight Revenue			
302 Deductions from Freight Revenue			
<b>Passenger Revenue</b>	1704.331		
321 Inter-City Passenger Transportation Revenue			
322 Deductions from Inter-City Passenger Transportation Revenue			
325 Commuter Passenger Transportation Revenue			
329 Sleeping and Lounge Car Revenue			
331 On-Board Food and Beverage Revenue			
335 Other Passenger Revenue			
<b>Miscellaneous Rail Revenue</b>	1704.357		
351 Switching Revenue			
353 Demurrage Revenue			
355 Rent of Rail Buildings and Other Rail Property			
357 Rent from Lease of Way and Structures			
359 Other Rent Income			
361 Joint Facility Revenue – Cr.			
363 Joint Facility Revenue – Dr.			
365 Revenue from Services for VIA			
367 Other Miscellaneous Rail Revenue			
<b>Government Payments</b>	1704.381		
379 Inter-City Passenger Service Payments			
381 Commuter Service Payments			



The revenue accounts are grouped within four separate categories according to the major source of the revenue.

**Freight Revenue** – This group consists of two accounts which record revenues in respect of service rendered in transporting goods by rail.

*Reference: Instructions 1401.01, 1402*

301 Freight Revenue

Include revenue earned from the transportation by the carrier of goods and mail covered by a rail waybill and from transit, stop and reconsigning privileges.

302 Deductions From Freight Revenue

Include the following charges against Freight Revenue:

- The carrier's portion of overcharges resulting from the use of erroneous rates, weights, classifications or computations;
- The carrier's portion of refunds on account of errors in routing and billing;
- The carrier's portion of uncollected revenue on freight lost or destroyed in transit or refunds of revenue on such shipments;
- The carrier's portion of uncollected tariff charges on damaged shipments for which charges neither shipper nor consignee is liable.



This group consists of seven accounts which record revenues from transporting persons by rail. These accounts do not include amounts billed by operating railway for services rendered to VIA Rail.

*Reference: Instruction 1401.02.*

321 Inter-City Passenger Transportation Revenue

Include revenue from transportation of passengers in services identified or defined as inter-city on the basis of the regular passenger coach tariff or special fares.

322 Deductions From Inter-City Passenger Transportation Revenue

Include the following charges against Inter-City Passenger Transportation Revenue:

- Redemption of unused and partially unused local tickets and redemption of the carrier's portion of unused and partially unused interline tickets;
- Refund of extra fares, cash fare penalty collections, and overcharges in excess of tariff fares;
- Uncollectible undercharges.

325 Commuter Passenger Transportation Revenue

Include revenue from transportation of passengers in services identified or defined as commuter services.

329 Sleeping and Lounge Car Revenue

For both regular passenger train service and special trans service include:

- Revenue from berth and seat accommodation in sleeping cars on the basis of berth or seat rates for the space occupied;
- Revenue from seat accommodation in lounge, parlor, dome, chair and other special cars.

331 On-Board Food and Beverage Revenue

Include sales revenue from dining and buffet service on trains.

335 Other Passenger Revenue

Include on- and off-train revenue derived from the operation of passenger trains and not provided for elsewhere.

On-train revenue includes revenue from the transportation on passenger trains of such items as baggage, packages, baby carriages, bicycles and household pets.

Off-train revenue includes the carrier's portion of contract revenue derived from the operation, over its line, of passenger train cars owned by parties other than VIA Rail, together with revenue derived from concession rentals, parking fees, vending machines and miscellaneous sources.

This group consists of accounts which record revenue in respect of services incidental to transporting goods and persons by rail, for the use of facilities of which the expenses for operation and maintenance are not separable from railway expenses, and from sources not provided for elsewhere. This group also includes an account designed to record VIA Contract Payments.

351 Switching Revenue

Include revenue from switching service upon the basis of tariff rates.

353 Demurrage Revenue

Include revenue from the detention of cars incident to loading, unloading, reconsigning, and stops in transit upon the basis of tariffs for demurrage. Include demurrage revenue from trailers and containers when such revenue arises from operations considered rail.

*Reference: Instruction 1202.*

355 Rent of Rail Buildings and Other Rail Property

Include revenue from the exclusive use by others of buildings and other property or portions thereof when the property is operated and maintained in connection with property used in railway operations and the expenses of maintaining and operating the rented portion cannot be separated from the expenses of the portion used by the railway.

357 Rent From Lease of Way and Structures

Include revenue from the exclusive use by others of roads, tracks, or bridges (including equipment or other railway property covered by the contract) when such property is operated and/or maintained by the railway, and the corresponding expenses can be identified separately from those of similar property used by the railway.

Charge to this account:

- The expenses of operation and maintenance;
- Deficits or portions thereof, payable by the railway under the terms of the lease contract.

## revenue accounts

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### 359 Other Rent Income

Include revenue from the exclusive use by others of all rail property other than Rent from Lease of Way and Structures Property when such property is operated and/or maintained by the railway, and the corresponding expenses can be identified separately from those of similar property used by the railway.

Charge to this account the expenses of operation and/or maintenance of the above property.

### 361 Joint Facility Revenue – Cr.

Include the railway's portion of miscellaneous rail revenue collected by others in connection with the operation of joint terminals and other facilities, such as revenue from restaurants, sale of power, and miscellaneous rail-related operations.

*Reference: Instruction 1203.*

### 363 Joint Facility Revenue – Dr.

Include the portion of miscellaneous rail revenue paid to others in connection with the operation of joint terminals and other facilities, such as revenue from restaurants, sale of power, and other miscellaneous rail-related operations.

*Reference: Instruction 1203.*

### 365 Revenue from Services for VIA

Include revenues derived from operations and maintenance associated with passenger services carried out for VIA Rail Canada, Inc.

### 367 Other Miscellaneous Rail Revenue

Include revenue from railway operations not provided for elsewhere. Such revenues include amounts received or receivable for the privilege of cutting hay along the right-of-way, from temporary use of the railway's tracks for detouring trains, from weighing cars, from loading and unloading livestock in transit by rail; reimbursement for any net deficit between revenues and expenses for the operation of a local rail facility, the management of which has been entrusted to the railway by agreement or contract; and revenue from the storage of freight.

This group consists of accounts which record revenue payments by federal, provincial or other governmental authorities.

379 Inter-City Passenger Service Payments

Include revenue in respect of payments received or receivable according to the provisions of such acts or arrangements that federal, provincial or other governmental authorities may prescribe.

Include payments received under Subsidiary Service Request Contracts as per Order-in-Council PC 1978-952.

381 Commuter Service Payments

Include revenue in respect of payments received or receivable according to the provisions of such acts or arrangements that federal, provincial or other governmental authorities may prescribe.



Account	Page No.	Account Separations	
		Geographic	Equipment-Type
<i>WAY AND STRUCTURES</i>			
<b>Administration</b>	1705.400		
400 Administration		Cost Centre	
<b>Track and Roadway</b>	1705.405		
401 Track and Roadway Maintenance		Cost Centre	
403 Rails – Maintenance		Cost Centre	
405 Ties – Maintenance		Cost Centre	
406 Paved Concrete Trackbed – Maintenance		Cost Centre	
407 Other Track Material – Maintenance		Cost Centre	
409 Ballast – Maintenance		Cost Centre	
411 Bridges – Maintenance		Cost Centre	
413 Culverts – Maintenance		Cost Centre	
415 Tunnels, Snow Sheds and Rock Sheds – Maintenance		Cost Centre	
417 Fences and Signs – Maintenance		Cost Centre	
419 Tools and Supplies		Cost Centre	
421 Removing Snow, Ice and Sand		Cost Centre	
423 Crossing Maintenance		Cost Centre	
<b>Buildings</b>	1705.437		
431 Office and Common Buildings – Maintenance		Cost Centre	
433 Passenger Stations - Maintenance		Cost Centre	
435 Roadway Buildings - Maintenance		Cost Centre	
437 Equipment Repair Shops – Maintenance		Cost Centre	
<b>Signals, Communications and Power</b>	1705.443		
441 Track Signals – Maintenance		Cost Centre	
442 Hump Yard Devices - Maintenance		Cost Centre	
443 Crossing Protection - Maintenance		Cost Centre	
444 Other Signal Devices - Maintenance		Cost Centre	
445 Rail Communication Systems - Maintenance			
446 End Train Units (ETU) and Related Systems - Maintenance		Cost Centre	

**expense accounts**

Account	Page No.	Account Separations	
		Geographic	Equipment-Type
<b>Terminals and Fuel Stations</b>	1705.457		
451 Intermodal Terminals – Maintenance		Cost Centre	
453 Marine Terminals - Maintenance		Cost Centre	
455 Rail Freight Terminals – Maintenance		Cost Centre	
457 Fuel Stations – Maintenance		Cost Centre	
<b>Miscellaneous Way and Structures Expenses</b>	1705.465		
461 Vehicles			
463 Injuries to Persons		Cost Centre <sup>1</sup>	
465 Power Plants			
466 Power Plants – Absorbed			
469 Maintaining Joint Facilities – Dr.			
470 Maintaining Joint Facilities – Cr.			
473 Rent for Leased Roads			
475 Other Way and Structures Rents			
479 Other Way and Structure Expense		Cost Centre	
481 Donations and Grants			
<i>EQUIPMENT</i>			
<b>Administration</b>	1705.500		
500 Administration		Cost Centre	
<b>Locomotives</b>	1705.503		
501 Locomotive Main Shop Maintenance		Cost Centre	Schedule A
502 Locomotive Line Point Maintenance		Cost Centre	Schedule A
503 Locomotive Servicing		Cost Centre	Schedule B
<b>Freight Cars</b>	1705.513		
511 Freight Car Main Shop Maintenance		Cost Centre	Schedule C
513 Freight Car Line Point Maintenance		Cost Centre	Schedule C (513.1 only)
515 Freight Car Repairs Performed by Others		Cost Centre	
517 Lubrication, Inspecting and Coupling Hose - Freight		Cost Centre	

<sup>1</sup> if used in cross-sectional regression analysis

**expense accounts**

Account	Page No.	Account Separations	
		Geographic	Equipment-Type
<b>Passenger Cars</b>	1705.523		
521 Passenger Car Main Shop - Maintenance		Cost Centre	Schedule H
523 Passenger Car Line Point - Maintenance		Cost Centre	Schedule H and I
525 Passenger Car Servicing		Cost Centre	Schedule I
<b>Intermodal Equipment</b>	1705.535		
531 Intermodal Terminal Equipment – Maintenance		Cost Centre	
533 Highway Tractors – Maintenance		Cost Centre	
535 Other Intermodal Equipment – Maintenance		Cost Centre	
<b>Work Equipment and Roadway Machines</b>	1705.539		
537 Work Equipment – Maintenance		Cost Centre	
539 Roadway Machines – Maintenance		Cost Centre	
<b>Other Equipment</b>	1705.545		
545 Marine Equipment – Maintenance			
<b>Equipment Rents</b>	1705.559		
551 Freight Car Per Diem Rentals – Dr.		Cost Centre	
552 Freight Car Per Diem Rentals – Cr.		Cost Centre	
553 Freight Car Lease Rentals – Dr.			
554 Freight Car Lease Rentals – Cr.			
555 Passenger Car Rents – Dr.			
556 Passenger Car Rents – Cr.			
557 Locomotive Rents – Dr.			
558 Locomotive Rents – Cr.			
559 Intermodal Equipment Per Diem Rentals – Dr.			Schedule H
560 Intermodal Equipment Per Diem Rentals – Cr.			

**expense accounts**

Account	Page No.	Account Separations	
		Geographic	Equipment-Type
561 Intermodal Equipment Lease Rentals – Dr. 562 Intermodal Equipment Lease Rentals – Cr. 563 Work Equipment and Roadway Machine Rents – Dr. 564 Work Equipment and Roadway Machine Rents – Cr. 565 Other Equipment Rents – Dr. 566 Other Equipment Rents – Cr.			
<b>Miscellaneous Equipment Expense</b>	1705.576		
571 Injuries to Persons		Cost Centre <sup>1</sup>	
573 Shop Machinery - Maintenance		Cost Centre	
575 Shop Overheads			
576 Shop Overheads - Absorbed			
577 Maintaining Joint Equipment – Dr.			
578 Maintaining Joint Equipment – Cr.			
579 Other Equipment Expense		Cost Centre	
580 Donations and Grants			
<i>RAILWAY OPERATION</i>			
<b>Administration</b>	1705.600		
600 Administration		Cost Centre	
<b>Train-Related Expense</b>	1705.609		
601 Engine Crews - Freight		Cost Centre <sup>1</sup>	
603 Engine Crews – Inter-City Passenger		Cost Centre <sup>1</sup>	
605 Engine Crews – Commuter		Cost Centre <sup>1</sup>	
607 Train Crews - Freight		Cost Centre <sup>1</sup>	
609 Train Crews – Inter-City Passenger		Cost Centre <sup>1</sup>	
611 Train Crews – Commuter		Cost Centre <sup>1</sup>	
613 Operating Sleeping Cars			
615 Operating Meal Service Cars			
617 Operating Catering Service Centres		Cost Centre	
619 Train Locomotive Diesel Fuel - Freight		as per 1502.05	

<sup>1</sup> if used in cross-sectional regression analysis

**expense accounts**

Account	Page No.	Account Separations	
		Geographic	Equipment-Type
623 Train Locomotive Diesel Fuel – Inter-City Passenger		as per 1502.05	
627 Train Locomotive Diesel Fuel – Commuter		as per 1502.05	
631 Train Other Expense – Freight		Cost Centre <sup>1</sup>	
633 Train Other Expense – Passenger		Cost Centre <sup>1</sup>	
<b>Yard-Related Expense</b>	1705.649		
641 Controlling Yard Operations		Cost Centre	
643 Yard and Terminal Clerical		Cost Centre	
645 Yard Engine Crews		Cost Centre <sup>1</sup>	
647 Yard Train Crews		Cost Centre <sup>1</sup>	
649 Operating Switches, Signals, Interlockers, Retarders and Humps		Cost Centre	
651 Yard Locomotive Diesel Fuel		as per 1502.05	
655 Yard Other Expense		Cost Centre	
657 Operating Joint Yards and Terminals – Dr.			
658 Operating Joint Yards and Terminals – Cr.			
661 Charges for Switching Service			
<b>Train Control</b>	1705.673		
671 Dispatching		Cost Centre	
673 Line Operators and Signal Operation		Cost Centre	
<b>Station and Terminal Operations</b>	1705.687		
681 Freight Customer Service Centres		Cost Centre	
683 Intermodal Terminal Operation		Cost Centre	
685 Rail Freight Terminals – Operation		Cost Centre	
687 Passenger Station Operation		Cost Centre	

<sup>1</sup>if used in cross-sectional regression analysis

**expense accounts**

Account	Page No.	Account Separations	
		Geographic	Equipment-Type
<b>Other Rail Operations</b>	1705.709		
701 Rail Communication System Operation			
703 Weighing, Inspection and Demurrage Bureaus		Cost Centre	
705 Operating Joint Facilities – Dr.			
706 Operating Joint Facilities – Cr.			
709 Building Operating Expenses		Cost Centre	
711 Other Rail Operations			
<b>Other Transport Modes</b>	1705.727		
721 Trucking Operations - Intermodal		Cost Centre <sup>1</sup>	
723 Trucking Operations - Other		Cost Centre <sup>1</sup>	
725 Bus and Taxi Operations			
727 Marine Operations		Cost Centre <sup>1</sup>	
<b>Equipment Cleaning and Specialized Servicing</b>	1705.737		
731 Freight Car Cleaning		Cost Centre	Schedule E
733 Freight Car Specialized Servicing		Cost Centre	Schedule F
735 Passenger Car Cleaning		Cost Centre	Schedule I
737 Passenger Car Supplies and General Servicing		Cost Centre	
739 Intermodal Equipment Cleaning		Cost Centre	
<b>Casualties and Claims</b>	1705.747		
741 Loss and Damage - Freight			
743 Injuries to Persons		Cost Centre <sup>1</sup>	
745 Clearing Wrecks		Cost Centre	
747 Damage to Property		Cost Centre	
<b>Miscellaneous Operating Expense</b>	1705.755		
751 Miscellaneous Operating Expense		Cost Centre	
755 Donations and Grants			

<sup>1</sup> if used in cross-sectional regression analysis

**expense accounts**

Account	Page No.	Account Separations	
		Geographic	Equipment-Type
<i>GENERAL</i>			
<b>Administration</b>	1705.800		
800 General Administration		Region and System	
801 Management Services		Region and System	
803 Marketing and Sales – Carload Freight		Region and System	
805 Marketing and Sales - Intermodal		Region and System	
807 Marketing and Sales - Passenger			
809 Accounting and Finance		Region and System	
811 Personnel and Public Relations		Region and System	
819 Other Administrative Expenses		Region and System	
820 Compensation Cost – Profit Sharing and Stock Option Compensation		Region and System	
<b>Employee Benefits</b>	1705.837		
821 Pension Costs			
823 Health and Welfare			
825 Canada Pension Plan			
827 Quebec Pension Plan			
829 Employment Insurance			
835 Employment Separation Payments			
837 Job Security Payments			
839 Other Employee Benefits			
<b>Taxes</b>	1705.849		
843 Provincial Sales Taxes			
845 Municipal Property Taxes			
849 Other Taxes			

**expense accounts**

Account	Page No.	Account Separations	
		Geographic	Equipment-Type
<b>Other General Expense</b>	1705.856		
851 Insurance			
853 Provision for Bad and Doubtful Debts			
855 Material Store Expense			
856 Material Store Expense - Absorbed			
857 General Joint Facilities – Dr.			
858 General Joint Facilities – Cr.			
859 Joint Facility Rents – Dr.			
860 Joint Facility Rents – Cr.			
861 Injuries to Persons			
863 Variation in Deferred Expense – Freight in Transit			
865 Donations and Grants			
867 Operating Carriers' Charges to VIA			

**SECTION 1705****administration**

The expense accounts are grouped into the following four activity categories: Way and Structures, Equipment, Railway Operation and General.

**WAY AND STRUCTURES**

The Way and Structures accounts record costs of maintenance and rent for track, roadway, buildings and other structures and charges for amortization in respect of the corresponding property accounts.

These accounts are arranged in groups according to the type of expense involved or to the type of structure maintained.

*Reference: Instructions 1505, 1506, 1508, 1509.*

**Administration** – This group consists of a single account.

**400 Administration**

Include all administrative expenses related to the maintenance of way and structures, except those related to the maintenance of communication systems. In general, line supervision above the level of foreman is considered part of administration. Include a reasonable share of administrative expense related to rail operations and maintenance as a whole.

Record by geographic cost centre.

*Reference: Accounts 500, 600.*



The accounts in this group are designed to record the costs of maintaining the track and roadway and some related structures.

*Reference: Instructions 1507, 1508.*

401 Track and Roadway Maintenance

This account is designed to record the labour costs of track and roadway maintenance. In addition, it includes track and roadway maintenance expenses which cannot be attributed directly to other accounts in this group.

Include:

- the entire cost of section force labour except that chargeable to other accounts, e.g. snow removal, maintenance of fences, capital appropriations, or other railway departments;
- the cost of any other labour involved in the care of roadbed and the maintenance of track structure;
- any other track and roadway maintenance costs (e.g. the cost of work train service or work contracted to outside parties) which cannot be assigned to other accounts in the Track and Roadway group.

Record by geographic cost centre.

*Reference: Instruction 1507.*

403 Rails - Maintenance

Include the cost of rails used in the repair of tracks and the cost of repairs to rail in track by welding. Credit the salvage value of rails replaced in repair work to this account, except where directed otherwise by Section 1309.13.

Record by geographic cost centre.

405 Ties - Maintenance

Include the cost of ties used in the repair of tracks.

Record by geographic cost centre.

## expense accounts

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### 406 Paved Concrete Trackbed - Maintenance

Include the cost of labour and material used in the repair and maintenance of paved concrete trackbed (except other track material which is to be included in account 407).

Record by geographic cost centre.

### 407 Other Track Material - Maintenance

Include the cost of all track material, other than rails, ties and ballast, and material included in account 406, used in the repair of tracks. Include the cost of track material used in connection with interlockers. Credit the salvage value of other track material replaced in repair work to this account, except where directed otherwise by Section 1309.13.

Record by geographic cost centre.

### 409 Ballast - Maintenance

Include the cost of gravel, stone, slag, cinders, sand and similar ballast material used in the repair of tracks.

Earth placed to form a crown in the middle of the track is not considered ballast, nor is ballast material placed on the decking of bridges for fire protection.

Record by geographic cost centre.

*Reference: Instruction 1507.*

### 411 Bridges - Maintenance

Include the costs of maintaining and repairing bridges which support the tracks and the cost of dredging, cleaning or other maintenance of drainage systems used to protect railway bridges.

Record by geographic cost centre.

## expense accounts

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### 413 Culverts - Maintenance

Include the cost of clearing and repairing culverts which pass beneath the tracks.

Record by geographic cost centre.

### 415 Tunnels, Snow Sheds and Rock Sheds - Maintenance

Include the costs of repairing tunnels and related drainage systems and the cost of lighting and ventilating tunnels. Include the cost of repairing snow and rock sheds.

Record by geographic cost centre.

### 417 Fences and Signs - Maintenance

Include:

- the cost of repairing fences, farm gates, cattle guards, aprons, hedges and signs other than those indicating bridges, signals, stations and other structures;
- the cost of replacing trees for protecting tracks from snow;
- the cost of putting up, inspecting and taking down portable snow and sand fences and the cost of storing fences;
- the initial cost of signs whose repair costs are included in this account.

Record by geographic cost centre.

## expense accounts

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### 419 Tools and Supplies

Include the costs of tools, supplies and small machines used in the maintenance of way and structures.

“Small machines” includes all machines used in the maintenance of way and structures except those for which maintenance costs are included in accounts 461, 539 and 541. It does not include roadway shop machinery. For tools and small machines, “cost” includes both initial and repair cost.

Record by geographic cost centre.

*Reference: Instruction 1506.*

### 421 Removing Snow, Ice and Sand

Include the costs of keeping track, roadway, station platforms and driveways, and highway and farm crossings clear of snow, ice and sand, except when this is done in the course of incidental cleaning by regular building employees.

Record by geographic cost centre.

### 423 Crossing Maintenance

Include the cost of maintenance of public streets and highways and of private roads or other crossings owned or used exclusively by others. In both of these cases, include the cost of maintaining bridges over or subways under the tracks.

Record by geographic cost centre.

The accounts in this group are designed to record the cost of maintaining railway buildings.

*Reference: Instructions 1509 and 1512.*

431 Office and Common Buildings - Maintenance

Include:

- the cost of maintaining office buildings used principally for general administration;
- the cost of maintaining yard buildings, freight customer service centres, stations used principally to house train order operations and any buildings used principally in support of rail operations and not provided for elsewhere;
- the cost of maintaining office buildings used in support of more than one rail activity;
- the cost of maintaining buildings functioning as both stations and office buildings where such costs cannot reasonably be assigned to one of the two functions.

Record by geographic cost centre.

433 Passenger Stations - Maintenance

Include the cost of maintaining passenger stations.

Record by geographic cost centre.

435 Roadway Buildings - Maintenance

Include the cost of maintaining roadway shops, rail welding plants and other buildings used principally in support of maintenance or construction of way and structures.

Record by geographic cost centre.

437 Equipment Repair Shops - Maintenance

Include the cost of maintaining equipment repair shops, enginehouses, shop offices and stores, and any other buildings used principally in support of equipment repair and servicing.

Record by geographic cost centre.



The accounts in this group are designed to record the costs of maintaining signals (including hump yard devices and crossing protection), railway communication systems, and power transmission systems for electric rail operations.

Signal maintenance includes maintenance of batteries or other sources of power. It also includes the maintenance of cables, wires, machinery, and towers and other buildings when any of these are used principally for the operation of signals.

#### 441 Track Signals - Maintenance

Include:

- the cost of repairing signals and interlockers governing the movements of trains and locomotives;
- the cost of repairing signal or interlocking apparatus located in a station;
- the cost of repairing CTC equipment;
- an equitable share of the pay and expenses of employees engaged in both maintaining and operating signals;

Record by geographic cost centre.

*Do not include:*

- *the cost of track material used in connection with interlockers, or of repairs to such material;*
- *any costs relating to derails when these have been arranged so as to be thrown from switch stands.*

#### 442 Hump Yard Devices - Maintenance

Include the cost of repairing specialized hump yard devices, such as retarders, compressors and electronic equipment.

Record by geographic cost centre.

*Do not include the cost of repairing track signals in hump yards.*

#### 443 Crossing Protection - Maintenance

Include the cost of repairing signals for the protection of traffic at crossings.

Record by geographic cost centre.

## expense accounts

---

### 444 Other Signal Devices - Maintenance

Include the cost of repairing hot box detectors, automatic car identification scanners, slide detectors and any other signal devices for which repair costs are not included in Accounts 441, 442 and 443.

Record by geographic cost centre.

### 445 Rail Communication Systems - Maintenance

Include the cost of repairing telegraph, telephone, radio, radar, inductive train communication and other communication systems, including related buildings and terminal equipment. Include related administrative costs.

*Do not include:*

- *the cost of repairing communications equipment permanently attached to locomotives or other equipment;*
- *the cost of repairing equipment used for communication within a single facility such as a yard, station, freight terminal, office or shop.*

### 446 End Train Units (ETU) and Related Systems - Maintenance

Include the cost of repairing ETUs and related systems.

Record by geographic cost centre.

The accounts in this group are designed to record the costs of maintaining terminals and fuel stations.

451 Intermodal Terminals - Maintenance

Include the cost of repairing ramps, paving, buildings and other fixed facilities at intermodal terminals.

Record by geographic cost centre.

453 Marine Terminals - Maintenance

Include the cost of repairing wharves and docks. The following activities are regarded as part of wharf and dock repairs:

- dredging and other work undertaken to preserve the depth of water;
- repairing guards, pilings and other protection against drift or ice;
- repairing related buildings and other related structures;
- cutting ice to prevent damage to docks and wharves.

Record by geographic cost centre.

455 Rail Freight Terminal - Maintenance

Include the cost of repairing automobile loading and distribution terminals, bulk terminals, freight sheds for pool car traffic and any other terminal facilities for handling freight traffic, other than facilities for which repair costs are included in Accounts 451 and 453.

Record by geographic cost centre.

457 Fuel Stations - Maintenance

Include the cost of repairing facilities for supplying fuel to locomotives, rail diesel cars and steam generators.

Record by geographic cost centre.



The accounts in this group are designed to record various miscellaneous expenses related to maintenance and rental of way and structures.

461 Vehicles

Include the cost of operating, maintaining and renting highway vehicles and snowmobiles used in way and structures maintenance.

Record by geographic cost centre.

463 Injuries to Persons

Include expenses on account of injuries which occur directly in connection with maintenance of way and structures, including the cost of services of employees and others called in consultation in connection with claim adjustments, the pay and expenses of employees while engaged as witnesses at inquests and lawsuits, and amounts assessed under federal or provincial acts providing for compensation to workmen for injuries.

Record this account by geographic cost centre if used in cross-section regression analysis.

465 Power Plants

Include the cost of maintaining and operating multi-use power plants, including the costs of maintaining machinery in such plants.

Do not include the costs of power plants dedicated to a single facility such as a shop or shop complex, a station, or a continuous welded rail plant. A power plant is considered dedicated if ninety per cent or more of its output is used by the facility in question. Do not include the costs of power plants for which fifty per cent or more of the output is used for non-rail purposes.

The total amount in this account is to be distributed to other accounts according to the instruction given in the text of Account 466.

## expense accounts

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### 466 Power Plants - Absorbed

This account is designed to record the amounts distributed from Account 465 to other expense or revenue accounts.

Record in the following sub-accounts:

#### 466.1 Other Expenses

Include amounts distributed from Account 465 to other expenses.

For each power plant whose costs are included in Account 465 distribute the costs to other accounts according to the amount of power used by each user of the facility.

#### 466.2 Outside Recoveries

Include amounts distributed from Account 465 for outside recoveries.

Recoveries from outside companies and individuals are to be credited to this account and charged to Account 367 – Other Miscellaneous Rail Revenue.

### 469 Maintaining Joint Facilities – Dr.

Include the railway's share of costs incurred by others in maintaining joint way and structures.

*Reference: Instruction 1203.*

### 470 Maintaining Joint Facilities – Cr.

Include amounts chargeable to others as their share of the cost incurred by the railway in maintaining joint way and structures.

*Reference: Instruction 1203.*

473 Rent for Leased Roads

Include amounts paid or payable as rent for roads, tracks or bridges (including equipment or other railway property covered by the contract), the property being owned by other companies and held under lease or other agreement by the terms of which exclusive use and control for operation purposes are secured. The entire amount of rent payable by the lessee in accordance with the agreement shall be included in this account, whether paid to the lessor in cash or disbursed by the lessee, on behalf of the lessor, as interest on funded debt, guaranteed dividends on stock, or otherwise.

475 Other Way and Structures Rents

Include any rents paid or payable in respect of way and structures and not provided for in Accounts 473 and 859

479 Other Way and Structures Expense

Include the cost of stationery, printing and office equipment used in connection with the maintenance of way and structures, including those used in connection with related administration. Include the pay and expenses of employees attending conferences with officers in connection with wage disputes, fees paid to arbitrators in wage disputes, payments to employees for time absent on account of sickness and all other way and structures maintenance expenses not provided for elsewhere.

Record by geographic cost centre.

481 Donations and Grants

Include the amount of donations and grants to defray costs of maintenance of way and structures.

*Reference: Instruction 1204.*



*EQUIPMENT*

The accounts in this activity group are designed to record the cost of maintaining and servicing railway rolling stock, the cost of maintaining various other types of equipment used by the railway, amounts paid and received as rent for equipment, and charges for amortization on investment in the corresponding property accounts.

These accounts are arranged in groups according to the type of expense involved and to the type of equipment maintained.

*Reference: Instructions 1505, 1506, 1510.*

**Administration** – This group consists of a single account.

500 Administration

Include all administrative expenses related to the maintenance of equipment. General foremen (except at small shops with no departmental foremen) and other line supervisors above the departmental foreman are considered part of administration. Include a reasonable share of administrative expense related to rail operations and maintenance as a whole.

Record by geographic cost centre.

*Reference: Accounts 400, 600.*



The accounts in this group are designed to record the costs of maintaining and servicing locomotives.

501 Locomotive Main Shop Maintenance

Include the cost of repairing locomotives.

Record according to Schedule A (*Section 1901*) and by geographic cost centre.

*Reference: Instruction 1502.04.*

502 Locomotive Line Point Maintenance

Include the cost of repairing locomotives.

Record according to Schedule A (*Section 1901*) and by geographic cost centre.

*Reference: Instruction 1502.04.*

503 Locomotive Servicing

Include the cost of servicing locomotives. The following activities are regarded as servicing: lubrication; cleaning; provision of supplies (other than fuel); repair and renewal of furniture, tools and other moveable articles; hostling in engine yards (including turntable operation); and any other activities necessary to care for locomotives or to prepare them for service.

Record according to Schedule B (*Section 1902*) and by geographic cost centre.

*Reference: Instruction 1502.04.*



The accounts in this group are designed to record the costs of maintaining and lubricating freight cars.

511 Freight Car Main Shop Maintenance

Include the cost of repairing freight cars at main shops.

*Do not include amounts paid or payable to others for repairs.*

Record according to Schedule C (*Section 1903*) and by geographic cost centre.

*Reference: Instruction 1502.04.*

513 Freight Car Line Point Maintenance

Include the cost of repairing freight cars at line points.

*Do not include amounts paid or payable to others for repairs.*

Record in the following sub-accounts:

513.1 Major Components

Include the cost of major components (wheels, couplers, yokes, draft gears, air brake kits (excluding brake shoes), mechanical refrigeration units), installed at line point shops. Record according to Schedule C.

513.2 Other

Include all line point repair expenses not included in Sub-account 513.1. Record the total amount in Account 513 by geographic cost centre.

## expense accounts

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### 515 Freight Car Repairs Performed by Others

Include amounts paid to others for repair for freight cars.

Record in the following sub-accounts:

#### 515.1 Railway's Cars

Include the cost of repairs to the railway's cars.

#### 515.2 Foreign Cars Damaged on Railway's Lines

Include the cost of repairs to foreign cars damaged on the railway's lines.  
Do not include the cost of such repairs when performed in the railway's own shops.

### 517 Lubrication, Inspection and Coupling Hose - Freight

Include the cost of inspection of incoming and outgoing trains to determine if any freight cars should be set off as bad order, the cost of lubricating freight cars and of inspection to determine whether lubrication is necessary. Include the cost of coupling and uncoupling hose on freight trains and air brake testing.

Record by geographic cost centre.

The accounts in this group are designed to record the cost of maintaining, lubricating and inspecting passenger cars.

521 Passenger Car Main Shop Maintenance

Include the cost of repairing passenger cars, including heavy cleaning, at main shops.

Record according to Schedule H (*Section 1908*) and by geographic cost centre.

*Reference: Instruction 1502.04.*

523 Passenger Car Line Point Maintenance

Include the cost of repairing and lubricating passenger cars, including heavy cleaning, at line points.

Record in the following sub-accounts:

523.1 Major Components

Include the cost of major components (wheel assemblies, batteries, waukesha engines, genmotors (greater than 10kw), R.D.C. engines, turbo train turbines, gear boxes, and wheel assemblies) installed at line points. Record according to Schedule H.

523.2 Other

Include all line point repair expenses not included in Sub-account 523.1. Record according to Schedule I (*Section 1909*).

Record the total amount in Account 523 by geographic cost centre.

**expense accounts**

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525 Passenger Car Servicing

Include:

- the cost of inbound and outbound passenger train inspection at yards, including air brake testing and car inspection;
- the cost of inspection and servicing at stations;
- the cost of coupling and uncoupling hose on passenger trains.

Record according to Schedule I (*Section 1909*) and by geographic cost centre.

*Reference: Instruction 1502.04.*

The accounts in this group are designed to record the costs of maintaining intermodal equipment.

531 Intermodal Equipment - Maintenance

Include the cost of repairing toplifters, mobile gantry cranes, yard switchers, tractors and other equipment for handling trailers and containers at intermodal terminals.

Record by geographic cost centre.

533 Highway Tractors - Maintenance

Include the cost of repairing highway tractors.

Record by geographic cost centre.

535 Other Equipment – Maintenance

Include the costs of repairing trailers, semi-trailers, containers, chassis, bogies and any other intermodal equipment not provided for in Accounts 531 and 533.

Record by geographic cost centre.



The accounts in this group are designed to record the costs of maintaining work equipment and roadway machines.

537 Work Equipment - Maintenance

Include the cost of repairing non-revenue rolling stock for which investment is recorded in Account 187 – work Equipment and Account 189 – Non-revenue Rolling Stock.

Record by geographic cost centre.

539 Roadway Machines - Maintenance

Include the cost of repairing equipment for which investment is recorded in Account 183 – Roadway Machines.

Record by region.



The account in this group is designed to record the costs of maintenance of marine equipment.

*Reference: Instruction 1202.*

545 Marine Equipment - Maintenance

Include the cost of repairing rail floats, barges, tugs, ferries and other marine equipment used in revenue transportation service.

Record by geographic cost centre.



The accounts in this group are designed to record amounts related to the rental of equipment.

551 Freight Car Per Diem Rentals – Dr.

Include per diem payments for freight cars.

552 Freight Car Per Diem Rentals – Cr.

Include amounts received or receivable for per diem rentals of freight cars.

553 Freight Car Lease Rentals Dr.

Include amounts paid or payable for leased freight cars.

554 Freight Car Lease Rentals – Cr.

Include amounts received or receivable for freight cars leased to others.

555 Passenger Car Rents – Dr.

Include amounts paid or payable for leased passenger cars.

Record according to Schedule H (*Section 1908*).

556 Passenger Car Rents – Cr.

Include amounts received or receivable for passenger cars leased to others.

557 Locomotive Rents – Dr.

Include amounts paid or payable for leased locomotives.

558 Locomotive Rents – Cr.

Include amounts received or receivable for locomotives leased to others.

559 Intermodal Equipment Per Diem Rentals – Dr.

Include amounts paid or payable for per diem rentals or intermodal equipment.

**expense accounts**

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560 Intermodal Equipment Per Diem Rentals – Cr.

Include amounts received or receivable for per diem rentals of intermodal equipment.

561 Intermodal Equipment Lease Rentals – Dr.

Include amounts paid or payable for leased intermodal equipment.

562 Intermodal Equipment Lease Rentals – Cr.

Include amounts received or receivable for intermodal equipment leased to others.

563 Work Equipment and Roadway Machine Rents – Dr.

Include amounts paid or payable for rental of work equipment and roadway machines.

564 Work Equipment and Roadway Machine Rents – Cr.

Include amounts received or receivable for rent of work equipment and roadway machines leased to others.

565 Other Equipment Rents – Dr.

Include amounts paid or payable for rent of vessels, buses and any other equipment not described in Accounts 461 and 551 through 564.

566 Other Equipment Rents – Cr.

Include amounts received or receivable for rent of vessels, buses and any other equipment not described in Accounts 461 and 551 through 564.

The accounts in this group are designed to record the miscellaneous expenses related to equipment maintenance.

571 Injuries to Persons

Include expenses on account of injuries which occur directly in connection with equipment maintenance, including the cost of services of employees and others called in consultation in connection with claim adjustments, the pay and expenses of employees while engaged as witnesses at inquests and lawsuits, and amounts assessed under federal or provincial acts providing for compensation to workmen for injuries.

Record this account by geographic cost centre if it is used in cross-sectional regression analysis.

573 Shop Machinery - Maintenance

Include the cost of repairing machinery used in equipment repairs.

Record by geographic cost centre.

575 Shop Overheads

Include all items of expense at shops, engine-houses, repair tracks and other places at which mechanical work is done, when such items are not assignable to specific accounts.

Amounts in this account are to be distributed to other accounts. The method of distribution must be approved by the Agency. Any amounts which cannot reasonably be distributed to other accounts may be left as an uncleared balance in the present account.

*Reference: Instruction 1506.*

576 Shop Overheads - Absorbed

This account is designed to record amounts distributed from Account 575. Record in the following sub-accounts:

576.1 Way and Structures Expense

Include amounts distributed to way and structures accounts.

## expense accounts

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### 576.2 Maintenance Expense

Include amounts distributed to equipment maintenance accounts.

### 576.3 Railway Operation Expense

Include amounts distributed to railway operation accounts.

### 576.4 Stores Production

Include amounts allocated to stores production cost.

### 576.5 Capital Projects

Include amounts distributed to property accounts.

### 576.6 Chargeable to Others

Include amounts chargeable to others.

### 577 Maintaining Joint Equipment – Dr.

Include the railway's share of expenses incurred by others in maintaining equipment used in the operation of joint facilities, including the cost of maintaining shop and power plant machinery.

*Reference: Instruction 1203.*

### 578 Maintaining Joint Equipment – Cr.

Include amounts chargeable to others as their share of the cost incurred by the railway in maintaining equipment used in the operation of joint facilities, including the cost of maintaining shop and power plant machinery.

*Reference: Instruction 1203.*

**579 Other Equipment Expense**

Include the cost of stationery, printing and office equipment used in connection with equipment maintenance and related administration. Include the pay and expenses of employees attending conferences with officers in connection with wage disputes, fees paid to arbitrators in wage disputes, and payments to employees for time absent on account of sickness.

Record by geographic cost centre.

**580 Donations and Grants**

Include the amount of donations and grants to defray costs of maintenance of equipment.

*Reference: Instruction 1204.*



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*RAILWAY OPERATION*

The accounts in this activity group are designed to record the cost of railway operations and related operations considered rail under the criteria set forth in General Accounting Instruction 1202.

These accounts are arranged in groups according to the type of expense or the type of operation involved.

*Reference: Instruction 1511.*

**Administration** – This group consists of a single account.

600 Administration

Include all administrative expenses related to railway operations and to other operations whose costs are recorded in the Railway Operation group of accounts. Include a reasonable share of administrative expenses related to rail operations and maintenance as a whole.

Record by geographic cost centre.

*Reference: Accounts 400, 500.*



The accounts in this group are designed to record the cost of operating revenue trains.

601 Engine Crews - Freight

Include the pay of freight enginemen and their assistants.

Record this account by geographic cost centre if it is used in cross-sectional regression analysis.

603 Engine Crews – Inter-City Passenger

Include the pay of enginemen and assistants in inter-city passenger service.

Record this account by geographic cost centre if it is used in cross-sectional regression analysis.

605 Engine Crews - Commuter

Include the pay of enginemen and assistants in commuter service.

Record this account by geographic cost centre if it is used in cross-sectional regression analysis.

607 Train Crews – Freight

Include the pay of freight conductors, brakemen, trainmen and flagmen.

Record this account by geographic cost centre if it is used in cross-sectional regression analysis.

609 Train Crews – Inter-City Passenger

Include the pay of all inter-city passenger train crew members not provided for in Account 603 – Engine Crews – Inter-City Passenger.

Record this account by geographic cost centre if it is used in cross-sectional regression analysis.

## expense accounts

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### 611 Train Crews - Commuter

Include the pay of all commuter train crew members not provided for in Account 605 – Engine Crews – Commuter

Record this account by geographic cost centre if it is used in cross-sectional regression analysis.

### 613 Operating Sleeping Cars

Include the cost of operating sleeping cars, including the pay of on-board employees, the cost of supplies, laundry costs and any other expenses directly related to sleeping car operation.

### 615 Operating Meal Service Cars

Include the cost of operating meal service cars, including the pay of on-board employees, laundry costs, the cost of supplies, and any other expenses directly related to the operation of meal service cars except expenses recorded in Account 617 – Operating Catering Service Centres.

### 617 Operating Catering Service Centres

Include the cost of operating catering service centres and commissary depots which support rail passenger service.

Record by geographic cost centre.

### 619 Train Locomotive Diesel Fuel - Freight

Include the cost of diesel fuel and crude oil consumed by locomotives and steam generators including all expenses incurred in purchasing and distributing fuel except the costs of transportation in the railway's own trains.

*Reference: Instruction 1502.05.*

623 Train Locomotive Diesel Fuel – Inter-City Passenger

Include the cost of diesel fuel and crude oil consumed by locomotives, rail diesel cars and steam generators in inter-city passenger train service, including all expenses incurred in purchasing and distributing fuel except the costs of transportation in the railway's own trains.

*Reference: Instruction 1502.05.*

627 Train Locomotive Diesel Fuel - Commuter

Include the cost of diesel fuel and crude oil consumed by locomotives, rail diesel cars and steam generators in commuter train service, including all expenses incurred in purchasing and distributing fuel except the costs of transportation in the railway's own trains.

*Reference: Instruction 1502.05.*

631 Train Other Expenses – Freight

Include all costs of operating freight trains not provided for elsewhere.

Record this account by geographic cost centre if it is used in cross-sectional regression analysis.

633 Train Other Expenses - Passenger

Include all costs of operating passenger trains not provided for elsewhere.

Record this account by geographic cost centre if it is used in cross-sectional regression analysis.



The accounts in this group are designed to record the costs of operating yards where regular switching service is maintained, and the cost of transfer operations within terminals.

641 Controlling Yard Operations

Include the pay of yardmasters, assistant yardmasters and general yard foremen and other expenses related to the control of yard operations.

Record by geographic cost centre.

643 Yard and Terminal Clerical

Include the pay of yard clerks and attendants. Include a reasonable portion of the pay of employees who work partly as yard clerks and partly in other functions.

645 Yard Engine Crews

Include the pay of yard enginemen and their assistants.

Record this account by geographic cost centre if it is used in cross-sectional regression analysis.

647 Yard Train Crews

Include the pay of yard conductors, foremen (except general yard foremen), brakemen and switchmen.

Record this account by geographic cost centre if it is used in cross-sectional regression analysis.

649 Operating Switches, Signals, Interlockers, Retarders and Humps

Include the pay of employees operating yard switches, signals, interlockers, retarders and related hump yard devices. For this purpose, switches, signals and interlockers governing movements between yard and main tracks or yard and enginehouse tracks are considered yard.

Record by geographic cost centre.

Do not include the pay of train crews or yard train crews operating yard switches.

## expense accounts

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### 651 Yard Locomotive Diesel Fuel

Include the cost of diesel fuel and crude oil consumed by locomotives in yard service, including all expenses incurred in purchasing and distributing fuel except the costs of transportation in the railway's own trains.

*Reference: Instruction 1502.05.*

### 655 Yard Other Expense

Include the cost of yard supplies (other than locomotive supplies) and any other yard expenses not provided for elsewhere.

Record by geographic cost centre.

### 657 Operating Joint Yards and Terminals – Dr.

Include the railway's share of costs incurred by others in the operation of joint yards and terminals.

*Reference: Instruction 1203.*

### 658 Operating Joint Yards and Terminals – Cr.

Include amounts chargeable to others as their share of the costs incurred by the railway in the operation of joint yards and terminals.

*Reference: Instruction 1203.*

### 661 Charges for Switching Service

Include all amounts paid to others for switching service except amounts provided for in Account 657.

The accounts in this group are designed to record the cost of controlling train movements.

671 Dispatching

Include the pay and expenses of dispatchers and related clerical employees.

Record by geographic cost centre.

673 Line Operators and Signal Operation

Include the pay of train operators at line stations, including a reasonable share of the pay of employees who both work as operators and perform station work. Include the cost of operating signals and interlockers, except where these are considered yard.

Record by geographic cost centre.

*Reference: Account 649*



The accounts in this group are designed to record the cost of operating freight customer service centres, freight terminals and passenger stations.

681 Freight Customer Service Centres

Include the pay and expenses of employees engaged in receiving and processing customer orders, requesting cars, providing data for waybills and any other activities carried at freight customer service centres not provided for in Accounts 643 and 801. Include a reasonable portion of the pay of employees who work partly as yard clerks and partly in functions chargeable to this account. Include other expenses of operating freight customer service centres.

Record by geographic cost centre.

683 Intermodal Terminal Operation

Include the cost of operating intermodal terminals.

Record by geographic cost centre.

685 Rail Freight Terminals Operation

Include the cost of operating automobile loading and distribution terminals, bulk terminals, freight sheds for pool car traffic and any other freight terminals not provided for in Account 683 – Intermodal Terminal Operations.

Record by geographic cost centre.

Do not include the cost of operating marine terminals.

687 Passenger Station Operation

Include the cost of operating passenger stations, including payments for loss and damage of baggage. Include a reasonable share of the pay of employees who work as train order operators and also perform passenger station work.

Record by geographic cost centre.



The accounts in this group are designed to record the cost of various rail operations not provided for elsewhere.

701 Rail Communication Systems Operation

Include the cost of operating telegraph, telephone, radio and other communication systems used in support of rail operations. Included related administrative costs.

703 Weighing, Inspection and Demurrage Bureaus

Include the cost of participation in joint weighing, inspection, demurrage and car distribution bureaus and associations.

Record by geographic cost centre.

705 Operating Joint Facilities – Dr.

Include the railway's share of expenses incurred by others in the operation of joint tracks, signals, interlockers and other facilities other than those provided for in Account 657 – Operating Joint Yards and Terminals – Dr.

*Reference: Instruction 1203.*

706 Operating Joint Facilities – Cr.

Include amounts chargeable to others a their share of the costs incurred by the railway in the operation of joint tracks, signals, interlockers and other facilities other than those provided for in Account 658 – Operating Joint Yards and Terminals – Cr.

Reference: Instruction 1203.

709 Building Operating Expenses

Include the operational expenses of buildings when these cannot reasonably be charged to any other account.

Record by geographic cost centre.

Reference: Instruction 1512.

**expense accounts**

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711 Other Rail Operations

Include:

- the pay of street and highway crossing gatekeepers and flagmen;
- other operational expenses incurred in providing crossing protection;
- the cost of drawbridge operation;
- bridge arbitraries;
- amounts paid for elevation of freight;
- the cost of peripheral operations (such as stockyards, cold storage plants and ice supply plants) considered rail according to the criteria set out in General Accounting Instruction 1202.

The accounts in this group are designed to record the cost of truck, bus, taxi and marine operations which are considered rail.

*Reference: Instruction 1202.*

721 Trucking Operations - Intermodal

Include the cost of trucking operations undertaken as part of rail intermodal service.

Record this account by geographic cost centre if it is used in cross-sectional regression analysis.

723 Trucking Operations - Other

Include the cost of rail-related trucking operations not provided for in Account 721 – Trucking Operations – Intermodal.

Record this account by geographic cost centre if it is used in cross-sectional regression analysis.

725 Bus and Taxi Operations

Include the cost of completing rail passenger movements by bus or taxi when such operations are part of regularly scheduled rail passenger service.

727 Marine Operations

Include the cost of marine operations, including both vessel and terminal operations. Facilities for transferring coal, ore or other bulk products from trains to ships are considered marine terminals. Include ferry arbitraries, and arbitraries and allowances to others for lighterage and wharfage.

Record this account by geographic cost centre if it is used in cross-sectional regression analysis.



The accounts in this group are designed to record the cost of cleaning freight and passenger cars and intermodal equipment, specialized servicing of freight cars, and general servicing of passenger cars.

731 Freight Car Cleaning

Include the cost of cleaning freight cars, including removal of temporary load securing devices and removing snow and ice prior to loading.

Record according to Schedule E (*Section 1905*) and by geographic cost centre.

*Reference: Instruction 1502.04.*

Do not include the cost of cleaning in conjunction with repairs.

733 Freight Car Specialized Servicing

Include the cost of specialized freight car servicing associated with particular commodities or car types.

Record according to Schedule F (*Section 1906*) and by geographic cost centre.

*Reference: Instruction 1502.04.*

735 Passenger Car Cleaning

Include the cost of trip cleaning of passenger cars.

Record according to Schedule I (*Section 1909*) and by geographic cost centre.

*Reference: Instruction 1502.04.*

737 Passenger Car Supplies and General Servicing

Include all costs of passenger train supplies and of icing, watering and air conditioning passenger cars other than costs provided for in Accounts 613, 615 and 617. Include any other costs of servicing passenger cars not provided for elsewhere.

Record by geographic cost centre.

**expense accounts**

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739 Intermodal Equipment Cleaning

Include the cost of cleaning intermodal equipment.

Record by geographic cost centre.

The accounts in this group are designed to record the cost of injuries, loss and damage to freight, other damages and clearing wrecks when these costs are not covered by insurance.

741 Loss and Damage - Freight

Include payments and expenses on account of loss, destruction, damage, or delays of revenue freight shipments and expenses on account of loss, destruction or damage of OCS shipments.

743 Injuries to Persons

Include expenses on account of injuries to persons which occur directly in connection with transportation service, including the cost of services of employees and others called in consultation in relation to claim adjustments, the pay and expenses of employees while engaged as witnesses at inquests and lawsuits, and amounts assessed under the provisions of federal or provincial acts providing for compensation to workmen for injuries.

Record this account by geographic cost centre if it is used in cross-sectional regression analysis.

745 Clearing Wrecks

Include the cost of clearing wrecks, including both labour and work train service costs. Include the cost of transferring freight and passengers to other trains or of providing alternative means of transportation.

Record by geographic cost centre.

*Do not include the cost of repairing way and structures or equipment damaged in wrecks.*

747 Damage to Property

Include payments and expenses on account of damage to the property of others other than freight and baggage.

Record by geographic cost centre.



The accounts in this group are designed to record miscellaneous expenses and contra-expenses related to rail operations.

751 Miscellaneous Operating Expense

Include the cost of stationery, printing and office appliances used in connection with rail operations, rail-related operations of other transport modes, and related administration. Include all other expenses in connection with rail and rail-related operations not chargeable to other accounts in the Operations group.

Record by geographic cost centre.

755 Donations and Grants

Include the amount of donations and grants to defray operating expenses.



*GENERAL*

The accounts in this activity group are designed to record costs related to the railway as a whole.

These accounts are arranged in groups according to the type of expense involved.

**Administration** – The accounts in this group are designed to record the cost of administrative activities not directly related to one or more of the other three railway activities (way and structures, equipment, and railway operation).

For all of these accounts except the marketing accounts (803, 805 and 807), there are sub-accounts showing directly incurred rail expense, rail's portion of corporate expense, and rail expenses recovered from other corporate divisions. These apply only when the railway is a division of a larger corporate entity. The following general description applies to all of these sets of sub-accounts.

XXX.1 Rail Expenses

Include expenses incurred by the rail division.

XXX.2 Corporate Expenses

Include the rail share of expenses incurred by other corporate divisions.

XXX.3 Rail Expenses – Recoveries

Include the administrative expenses incurred by the rail division and recovered from other corporate divisions.

*Reference: Instruction 1513*

800 General Administration

Include all administrative costs (both corporate and rail) incurred in the management of the railway enterprise as a whole, including the salaries of the chairman, president and other general officers and all related expenses.

## expense accounts

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Record at regional and system levels and by the following sub-accounts:

- 800.1 Rail General Administration
- 800.2 Rail-Related Corporate General Administration
- 800.3 General Administration – Recoveries

*Do not include the expenses for which specific provision is made in other accounts in the administration group*

### 801 Management Services

Include the costs of corporate and rail functions of a staff nature which provide services to other management groups, including administrative and office services (including cafeterias, libraries, etc.), investigation and security, medical services, legal services, information systems and data processing, and research and development.

Record at regional and system levels and by the following sub-accounts:

- 801.1 Rail Management Services
- 801.2 Rail-Related Corporate Management Services
- 801.3 Management Services – Recoveries

### 803 Marketing and Sales – Carload Freight

Include marketing and sales costs related to carload freight operations including industrial development costs.

Record at region and system levels.

### 805 Marketing and Sales – Intermodal

Include marketing and sales costs related to intermodal operations.

Record at region and system levels.

### 807 Marketing and Sales – Passenger

Include marketing and sales costs related to passenger operations.

809 Accounting and Finance

Include the cost of rail accounting and finance services and of rail-related corporate accounting and finance services.

Record at region and system levels and in the following sub-accounts:

- 809.1 Rail Accounting and Finance
- 809.2 Rail-Related Corporate Accounting and Finance
- 809.3 Accounting and Finance – Recoveries

811 Personnel and Public Relations

Include rail and rail-related corporate expense related to personnel and organizational development, including industrial relations, public relations and advertising.

Record at region and system levels and in the following sub-accounts:

- 811.1 Rail Personnel and Public Relations
- 811.2 Rail-Related Corporate Personnel and Public Relations
- 811.3 Personnel and Public Relations – Recoveries

819 Other Administrative Expenses

Include any administrative expenses not provided for elsewhere.

Record at region and system levels and in the following sub-accounts.

- 819.1 Other Rail Administrative Expenses
- 819.2 Other Rail-Related Corporate Administrative Expenses
- 819.3 Other Administrative Expenses – Recoveries

820 Compensation Cost – Profit Sharing and Stock Option Compensation

Include the compensation cost for amounts awarded to employees under profit sharing and stock option plans, including stock appreciation rights (SARs).



The accounts in this group are designed to record the cost of employee benefits.

821 Pension Costs

Include:

- amounts contributed to private pension plans in respect of current services of employees;
- pensions paid directly to retired employees, gratuities paid to the heirs and families of employees, amounts paid to trustees to provide annuities for retired employees, and other similar items;
- amounts contributed to pensions trusts as special payments in respect of past services of employees to cover revisions of pension benefits or adjustments resulting from an actuarial valuation of pension obligations;
- related administrative costs.

823 Health and Welfare

Include amounts contributed to employee health and welfare plans and related administrative costs.

825 Canada Pension Plan

Include contributions under the Canada Pension Plan.

827 Quebec Pension Plan

Include contributions under the Quebec Pension Plan.

829 Employment Insurance

Include contributions under the *Employment Insurance Act*.

835 Employment Separation Payments

Include wages and the fringe benefits and any other payments related to the lump sum payments made for employment separation payments.

837 Job Security Payments

Include wages, fringe benefits and any other payments related to the payments made for job security payments.

**expense accounts**

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839 Other Employee Benefits

Include the cost of job security plans and any other employee benefits not provided for elsewhere.

The accounts in this group are designed to record incurred tax costs excluding such portions of provincial sales taxes on materials and services purchased as have been allocated to other accounts in accordance with Expense Accounting Instruction 1516.

843 Provincial Sales Taxes

Include provincial sales taxes not allocated to other accounts.

*Reference: Instruction 1516*

845 Municipal Property Taxes

Include such taxes on rail property.

849 Other Taxes

Include all taxes not provided for elsewhere.



This group of accounts is designed to record various miscellaneous expenses of a general nature.

851 Insurance

Include:

- premiums for insurance against loss through injuries to persons or damages to or destruction or loss of property;
- premiums on fidelity bonds of employees;
- administrative costs related to the purchase of insurance;
- costs of administering self-insurance programs.

*Do not include amounts paid out under self-insurance plans.*

853 Provisions for Bad and Doubtful Debts

Include the amount required to bring the Allowance for Doubtful Accounts (Account 9) to a level sufficient to meet probable losses on collection of accounts receivable outstanding at the end of a financial period. Accounts written off as bad, and recoveries thereon, are to be charged or credited to Account 9 – Allowance for Doubtful Accounts.

855 Material Store Expense

Include the cost of purchasing, handling, storing and distributing material, including the operating expenses of switching locomotives exclusively assigned to stores service.

Amounts in this account are to be allocated to other primary accounts or to recoverable expense according to instructions given in the text of Account 856 – Material Store Expense – Absorbed.

856 Material Store Expense - Absorbed

Include amounts distributed from Account 855 – Material Store Expense to other accounts or to recoverable expenses.

The total amount in Account 855 attributable to capital projects or recoverable from other parties must be distributed. Any amounts directly related to a particular type of material are to be added to the cost of such material.

## expense accounts

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The method of distributing amounts from Account 855 must be approved by the Agency.

Record amounts distributed from Account 855 in the following sub-accounts:

856.1 Capital Projects

Include amounts distributed to capital projects.

856.2 Way and Structures Expense

Include amounts distributed to way and structures accounts.

856.3 Recoverable Expenses

Include amounts recoverable from other parties.

856.4 Equipment Maintenance Expense

Include amounts distributed to equipment maintenance accounts.

856.5 Railway Operation Expense

Include amounts distributed to railway operation accounts.

856.6 Stores Production

Include amounts distributed to stores production cost.

857 General Joint Facilities – Dr.

Include the railway's share of general expenses incurred by others in maintaining and operating joint tracks, yards, terminals and other facilities.

*Reference: Instruction 1203.*

858 General Joint Facilities – Cr.

Include amounts chargeable to others as their share of general expenses incurred by the railway in maintaining and operating joint tracks, yards, terminals and other facilities.

*Reference: Instruction 1203.*

859 Joint Facility Rents – Dr.

Include the railway's share of interest and other financial charges incurred by others on investment in joint facilities.

*Reference: Instruction 1203.*

860 Joint Facility Rents – Cr.

Include amounts chargeable to others as their share of interest and other financial charges on investment in joint facilities.

*Reference: Instruction 1203.*

861 Injuries to Persons

Include any amounts assessed under federal or provincial workmen's compensation acts which cannot be attributed to one of the other three railway activities (i.e. Way and Structures, Equipment, and Railway Operation). Include expenses on account of injuries to persons which occur directly in connection with activities for which costs are recorded in the General group of accounts, including the cost of services of employees and others called in consultation in relation to claim adjustments, the pay and expenses of employees while engaged as witnesses at inquests and lawsuits, and amounts assessed under federal or provincial workmen's compensation acts.

863 Deferred Expenses – Freight in Transit

Include, in respect of uncompleted freight movements for which no revenue has been recognized, the increase or decrease in deferred costs attributed to the uncompleted service between the beginning and end of the year.

**expense accounts**

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865 Donations and Grants

Include the amount of donations and grants to defray general expenses.

867 Operating Carriers' Charges to VIA

This account is for the use of VIA Rail Canada Inc. only.

Include amounts paid or payable to carriers involved in operating VIA trains and maintaining VIA equipment where such amounts cannot be identified in sufficient detail to attribute them to other expense accounts.

Account	Page No.	Account Separations	
		Geographic	Equipment-Type
<b>Other Income and Charges</b>	1706.885		
871 Dividend Income			
873 Interest Income			
875 Gain or Loss from Disposal of Land and Other Non-Amortizable Property			
877 Gain or Loss on Securities			
879 Interest on Long-Term Debt			
881 Interest on Other Debt			
883 Gain or Loss on Foreign Exchange			
885 Other Income			
887 Other Charges			
889 Income Taxes			
891 Extraordinary Items			



871 Dividend Income

Include dividend income from investments included in Accounts 3 and 25. Also to be included is income or loss from long-term investments in shares accounted for on the equity basis.

873 Interest Income

Include interest income from investments, deposits, advances, etc., included in Accounts 1, 3 and 25.

875 Gain or Loss from Disposal of Land and Other Non-Amortizable Property

Include identified gains or losses resulting from all sales or retirements of land and other non-amortizable property.

877 Gain or Loss on Securities

Include gains or losses resulting from the sale of temporary or long-term investments. Include also provisions for losses on investments.

879 Interest on Long-term Debt

Include interest expense incurred on all debt originally incurred for a period longer than one year and the amortization of premiums and discounts on such debt.

881 Interest on Other Debt

Include interest expense incurred on all debt originally incurred for a period up to one year in length.

883 Gain or Loss on Foreign Exchange

Include gains and losses arising from asset or liability positions taken in foreign currencies.

885 Other Income

Include income for which a specific account is not provided.

## **OTHER INCOME AND CHARGES ACCOUNTS**

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### 887 Other Charges

Include charges and expenses for which specific accounts are not provided.

### 889 Income Taxes

Include provisions for federal, provincial or other government taxes based on the carrier's net income (or loss) from railway operations for the fiscal period.

### 891 Extraordinary Items

Include gains, losses and provisions for losses which by their nature are not typical of normal business activities, are not expected to occur regularly over a period of years and are not considered as recurring factors in any evaluation of ordinary operations.

Account	Page No.	Account Separations	
		Geographic	Equipment-Type
<i>WAY AND STRUCTURES</i>			
<b>Track and Roadway</b>	1707.917		
902 Grading –Amortization			
903 Rail - Amortization			
905 Ties - Amortization			
906 Paved Concrete Trackbed – Amortization			
907 Other Track Material –Amortization			
909 Ballast - Amortization			
911 Track Laying and Surfacing – Amortization			
915 Bridges - Amortization			
917 Culverts - Amortization			
919 Tunnels - Amortization			
921 Fences, Snow Sheds and Rock Sheds – Amortization			
923 Public Improvements – Amortization			
925 Other Right-of-Way Property – Amortization			
<b>Buildings</b>	1707.947		
931 Office and Common Buildings – Amortization			
933 Office and Common Buildings Moveable Equipment and Machinery – Amortization			
935 Passenger Stations – Amortization			
937 Passenger Station Moveable Equipment – Amortization			
939 Roadway Buildings – Amortization			
941 Roadway Building Machines and Moveable Equipment – Amortization			
943 Equipment Repair Shops – Amortization			
945 Shop Machinery and Moveable Equipment - Amortization			
947 Leasehold Improvements – Amortization			

**amortization accounts**

Account	Page No.	Account Separations	
		Geographic	Equipment-Type
<b>Signals, Communications and Power</b>	1707.951		
949 Signals – Amortization			
951 Rail Communication Systems – Amortization			
<b>Terminals and Fuel Stations</b>	1707.963		
957 Intermodal Terminals – Amortization			
959 Rail Freight Terminals – Amortization			
961 Marine Terminals – Amortization			
963 Fuel Stations – Amortization			
<b>Special Amortization</b>	1707.969		
967 Donations and Grants - Amortization			
968 Investment Tax Credit – Amortization			
969 Way and Structures – Amortization Adjustments			
<i>EQUIPMENT</i>			
<b>Rolling Stock – Revenue Service</b>	1707.975		
971 Locomotives – Amortization			Schedule A
973 Freight Cars – Amortization			Schedule C
975 Passenger Cars – Amortization			Schedule H
<b>Intermodal Equipment</b>	1707.981		
977 Intermodal Terminal Handling Equipment – Amortization			
979 Trailers, Semi-Trailers, Containers, Chassis and Bogies – Amortization			
981 Highway Tractors – Amortization			

Account	Page No.	Account Separations	
		Geographic	Equipment-Type
<b>Work Equipment and Roadway Machines</b>  983 Roadway Machines – Amortization 987 Work Equipment – Amortization 989 Other Non-Revenue Rolling Stock – Amortization	1707.989		
<b>Other Equipment</b>  991 Marine Equipment – Amortization 995 Miscellaneous Equipment – Amortization	1707.995		
<b>Special Amortization</b>  997 Donations and Grants – Amortization 998 Investment Tax Credit - Amortization 999 Equipment – Amortization Adjustments	1707.999		



The amortization expense accounts are grouped into two activity categories: Way and Structures, and Equipment.

*WAY AND STRUCTURES* accounts are designed to record amortization in respect of amortizable Way and Structures property accounts.

902 Grading – Amortization

Include amortization expense re Account 102 – Grading.

903 Rail – Amortization

Include amortization expense re Account 103 - Rail.

905 Ties - Amortization

Include amortization expense re Account 105 – Ties.

906 Paved Concrete Trackbed - Amortization

Include amortization expense re Account 106 – Paved Concrete Trackbed.

907 Other Track Material - Amortization

Include amortization expense re Account 107 – Other Track Material

909 Ballast – Amortization

Include amortization expense re Account 109 – Ballast.

911 Track Laying and Surfacing – Amortization

Include amortization expense re Account 111 – Track Laying and Surfacing.

915 Bridges - Amortization

Include amortization expense re Account 115 – Bridges.

917 Culverts – Amortization

Include amortization expense re Account 117 – Culverts.

**amortization accounts**

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919 Tunnels – Amortization

Include amortization expense re Account 119 – Tunnels.

921 Fences, Snow Sheds and Rock Sheds – Amortization

Include amortization expense re Account 121 – Fences, Snow Sheds and Rock Sheds.

923 Public Improvements – Amortization

Include amortization expense re Account 123 – Public Improvements.

925 Other Right-of-Way Property – Amortization

Include amortization expense re Account 125 – Other Right-of-Way Property.

931 Office and Common Buildings – Amortization

Include amortization expense re Account 131 – Office and Common Buildings.

933 Office and Common Buildings Moveable Equipment and Machinery- Amortization

Include amortization expense re Account 133 – Office and Common Buildings Moveable Equipment and Machinery.

935 Passenger Stations – Amortization

Include amortization expense re Account 135 – Passenger Stations.

937 Passenger Station Moveable Equipment – Amortization

Include amortization expense re Account 137 – Passenger Station Moveable Equipment.

939 Roadway Buildings – Amortization

Include amortization expense re Account 139 – Roadway Buildings.

941 Roadway Building Machines and Moveable Equipment – Amortization

Include amortization expense re Account 141 – Roadway Building Machines and Moveable Equipment.

943 Equipment Repair Shops – Amortization

Include amortization re Account 143 – Equipment Repair Shops.

945 Shop Machinery and Moveable Equipment - Amortization

Include amortization expense re Account 145 – Shop Machinery and Moveable Equipment.

947 Leasehold Improvements – Amortization

Include amortization expense re Account 147 – Leasehold Improvements.



949 Signals – Amortization

Include amortization expense re Account 149 – Signals.

951 Rail Communication Systems – Amortization

Include amortization expense re Account 151 – Rail Communication Systems.



957 Intermodal Terminals – Amortization

Include amortization expense re Account 157 – Intermodal Terminals.

959 Rail Freight Terminals – Amortization

Include amortization expense re Account 159 – Rail Freight Terminals.

961 Marine Terminals – Amortization

Include amortization expense re Account 161 – Marine Terminals.

963 Fuel Stations – Amortization

Include amortization expense re Account 163 – Fuel Stations.



967 Donations and Grants - Amortization

Include amortization of deferred credits for donations and grants used to acquire way and structures property.

*Reference: Instruction 1204.*

968 Investment Tax Credit - Amortization

Include amortization of deferred credits for investment tax credits relating to way and structures property accounts.

969 Way and Structures – Amortization Adjustments

Include adjustments related to the disposal of all assets in a class.

*Reference: Instruction 1309.06.*



*EQUIPMENT* accounts are designed to record amortization on equipment.

971 Locomotives – Amortization

Include amortization expense re Account 171 – Locomotives.

Record according to Schedule A. (*Section 1901*).

973 Freight Cars - Amortization

Include amortization expense re Account 173 – Freight Cars

Record according to Schedule C. (*Section 1903*)

975 Passenger Cars - Amortization

Include amortization expense re Account 175 – Passenger Cars.

Record according to Schedule H. (*Section 1908*)



977 Intermodal Terminal Handling Equipment – Amortization

Include amortization expense re Account 177 – Intermodal Terminal Handling Equipment.

979 Trailers, Semi-Trailers, Containers, Chassis and Bogies - Amortization

Include amortization expense re Account 179 – Trailers, Semi-Trailers, Containers, Chassis and Bogies.

981 Highway Tractors – Amortization

Include amortization expense re Account 181 – Highway Tractors.



983 Roadway Machines - Amortization

Include amortization expense re Account 183 – Roadway Machines.

987 Work Equipment - Amortization

Include amortization expense re Account 187 – Work Equipment.

989 Other Non-Revenue Rolling Stock – Amortization

Include amortization expense re Account 189 – Other Non-Revenue Rolling Stock.



991 Marine Equipment – Amortization

Include amortization expense re Account 191 – Marine Equipment.

995 Miscellaneous Equipment – Amortization

Include amortization expense re Account 195 – Miscellaneous Equipment.



997 Donations and Grants - Amortization

Include amortization of deferred credits for donations and grants used to acquire equipment.

*Reference: Instruction 1204.*

998 Investment Tax Credit - Amortization

Include amortization of deferred credits for investment tax credits relating to equipment property accounts.

999 Equipment – Amortization Adjustments

Include adjustments related to the disposal of all assets in a class.

*Reference: Instruction 1309.06.*



# chart of operating statistics

SECTION 1800

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The statistics in this group are measures of operations by locomotives and other equipment providing motive power.

*Reference: Instruction 1602.05.*

S-01 Locomotive Unit Miles

A locomotive unit mile is the operation of a locomotive unit over one mile of track. .01

Include all locomotive operations. For switching operations, record the time spent by each unit and convert to miles at six miles per hour. .02

This statistic is reported in two different forms, designated by the suffixes A and B. .03

S-01A Locomotive Unit Miles by Carrier's Locomotives

Record all miles operated by locomotive units owned by the carrier, whether as part of the carrier's operations or as part of another carrier's operations. .04

Record according to Schedule A (*Section 1901*).

When used in the analysis of locomotive maintenance costs, this statistic may be adjusted to take account of the following considerations: .05

- the terms of any lease of the carrier's locomotives to other parties;
- the terms of any lease for locomotives leased by the carrier for its operations;
- the terms of agreements between VIA and other carriers concerning maintenance of VIA locomotives.

All such adjustments shall be reported to the Secretary of the Agency.

S-01B Locomotive Unit Miles in Carrier's Operations

Record all miles operated by locomotives as part off the carrier's operations, regardless of the ownership of the locomotives involved. VIA trains shall be considered part of the operating carrier's operations. .06

Record according to Schedule B (*Section 1902*).

## **motive power statistics**

---

### **S-03 Gallons of Fuel**

.07 This statistic measures fuel issued for use in the carrier's rail operations.

Record by region.

.08 If this statistic is used as an independent variable in the analysis of fuel station costs, record also by geographic cost centre.

### **S-05 Yard Diesel Unit Minutes**

.09 A yard diesel unit minute is one minute spent by one diesel locomotive unit in yard service.

.10 Reporting of this statistic is mandatory only if it is used by the carrier in the analysis of yard fuel costs.

The statistics in this group record various aspects of car use or ownership.

*Reference: Instruction 1602.05.*

**S-11**    Freight Car Miles

A freight car mile is the movement of a freight car over one mile of track. .01

With this exception of certain transfer train movements, all movements are included. Car miles in transfer trains are to be included only if they occur at locations or in services which are significant generators of such mileages. Records are to be kept of the specific locations and services involving freight car miles in transfer trains for use in the application of related unit costs to particular branch lines, services or movements. .02

For purposes of developing this statistic a transfer train is defined as one which operates entirely within terminal limits. .03

This statistic is to be recorded in two different forms, designated by the suffixes A and B. .04

**S-11A**    Freight Car Miles by Carrier's Cars

Record all miles for cars owned by the carrier, whether in the carrier's trains or in those of another railway. .05

Record according to Schedule C (*Section 1903*).

**S-11B**    Freight Car Miles in Carrier's Operations

Record all miles by freight cars in the carrier's trains, regardless of the ownership of the cars involved. .06

Record according to Schedule G (*Section 1907*). Record according to Schedule E (*Section 1905*) if used in analysis of freight car cleaning costs. .07

**S-13**    Freight Car Days

A freight car day is the use or ownership of a freight car for one day. Include all cars owned by carrier. .08

Record according to Schedule C (*Section 1903*).

**car statistics**

---

S-15 Passenger Car Miles

.09 A passenger car mile is the movement of a passenger car over one mile of track.

Include all movements.

Recording according to Schedule H and I (*Sections 1908 and 1909*).

.10 Passenger car miles in VIA trains shall be recorded by both VIA and the operating carrier.

S-17 Passenger Car Days

.11 A passenger car day is the use or ownership of a passenger car for one day.

Include all cars owned by the carrier.

Recording according to Schedule H and I (*Sections 1908 and 1909*).

The statistics in this group record various aspects of train operation.

*Reference: Instruction 1602.06.*

S-21 Gross Ton Miles

A gross ton mile is the movement of one ton of rail equipment, intermodal equipment or freight over one mile of track. .01

Include all movements over the carrier's tracks except where switching operations, including operations by other carriers. .02

Record by geographic cost centre.

The Agency may request supplementary reporting of gross ton miles as used in the analysis of fuel costs and crew wages. In this case, reporting is by train run or some other service-specific unit and all movements by the carrier's trains are included whether or not these occur on the carrier's tracks. .03

S-23 Train Miles

A train mile is the movement of a train over one mile of track. .04

This statistic is reported in two forms, designated by the suffixes A and B.

S-23A Train Miles by Carrier's Trains

Include all movements by the carrier's trains except transfer trains. .05  
Record by type of service – freight, passenger, non-revenue.

S-23B Train Miles in Carrier's Tracks

Include all train movements over the carrier's tracks except transfer trains. .06  
Record by geographic cost centre.

Reporting of this statistic is mandatory only if it is used by the carrier in the analysis of train control costs. .07

## **train operation statistics**

---

### S-25 Train Switching Miles

Train switching miles are measured as time spent in switching (train switching minutes) and converted to miles at six miles per hour. A train switching minute is one minute's work in switching service by a train crew.

.08

Include all switching operations on the carrier's tracks.

Record by geographic cost centre.

### S-27 Train Hours

Train hours are measured as the train time between departure and arrival stations minus time spent in train switching en route.

.09

Record by geographic cost centre.

.10

Reporting of this statistic is mandatory only if it is used by the carrier in the analysis of train control costs.

### S-29 Average Train Speed

This statistic is train miles divided by train hours. Train hours may include en route train switching time when used in this calculation.

.11

Record by type of service as follows: freight, passenger.

.12

Reporting of this statistic is mandatory only if it is used by the carrier in the analysis of signals investment and amortization.

There is only one statistic in this category. It is designed to measure yard switching activity.

S-31 Yard Switching Miles

Yard switching miles are measured as time spent in yard switching (yard switching minutes) and converted to miles at six miles per hour. A yard switching minute is one minute's work in switching service by a yard crew. For the purpose of this statistic, "switching service" includes transfer train operations. .01

Record by geographic cost centre.



The statistics in this group measure the volume of freight carried.

S-41 Carloads

A carload is a shipment that uses one rail car for its transportation. .01  
This statistic is reported in four different forms designated by the suffixes A, B, C and D.

S-41A Carloads Originated and Terminated

This statistic may be calculated in either of the following two ways: .02

- (i) Include all revenue carloads originated and terminated; or,
- (ii) Include all revenue carloads originated and terminated, and all on-coming and off-coming carloads in interline service.

In reporting this statistic, the carrier shall indicate the method used in its calculation. .03

Record by geographic cost centre.

S-41B Grain Carloads in Box Cars

This statistic records all shipments of bulk grain in box cars. .04

S-41C Carloads by Car Type

Include both revenue and non-revenue shipments. .05

Record according to Schedule E (*Section 1905*).

Reporting of this statistic is mandatory only if it is used by the carrier in the analysis of freight car cleaning costs. .06

S-41D Carloads by Commodity

Include revenue carloads only. .07

Record according to the commodity type schedule used in the analysis of loss and damage expense.

Reporting of this statistic is mandatory only if it is used by the carrier in the analysis of loss and damage costs. .08

## **traffic statistics**

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### S-43 Net Ton Miles

- .09 A net ton mile is the movement of one ton of freight over one mile of track.  
Record separately by on company service (OCS) and revenue traffic.
- .10 Record revenue net ton miles according to the commodity type schedule used in the analysis of marketing costs.

### S-45 Tons of Revenue Traffic

- .11 This statistic records the total weight of revenue shipments.  
Record according to the commodity type schedule used in the analysis of loss and damage expense.
- .12 Reporting of this statistic is mandatory only if it is used by the carrier in the analysis of loss and damage costs.

The statistic in this category measures the size and certain qualitative characteristics of the carrier's road and track.

S-51 Equated Road Miles

A "road mile" is one mile of single or first main track. "Equated road miles" are road miles weighted by an index which measures the degree of gradient and/or curvature of the track. Various methods of calculating this statistic are acceptable. Reporting of this statistic should be accompanied by a description of the method used to develop it. The method must be approved by the Agency. .01

Record by geographic cost centre.



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1902      Schedule B    Locomotive Categories for Servicing Expense	230
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1905      Schedule E    Freight Car Categories for Cleaning Expenses	232
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1908      Schedule H    Passenger Car Categories for Investment, Amortization, Main Shop Repair and Major Components Line Point Maintenance Expense	235
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LOCOMOTIVE CATEGORIES FOR INVESTMENT,  
AMORTIZATION AND MAINTENANCE EXPENSE

<u>Group</u>	<u>Code</u>	<u>Description</u>
Road Freight	101	Diesel, up to 2,999 H.P. <sup>1</sup>
	102	Diesel
	103	Diesel
	104	Diesel
	105	Diesel
Road Passenger	114	Diesel
	115	All Other
Yard	120	Diesel <sup>1</sup>
Leased	130	Leased (all types) <sup>2</sup>
Associated Equipment	141	Generator Cars
	142	Robot Cars
	143	Major Locomotive Components (Spares) <sup>3</sup>
	190	Amounts Billed to Others <sup>4</sup>
	191	Cost of Work Performed for Others <sup>4</sup>

Notes: <sup>1</sup> Including booster units.

<sup>2</sup> For maintenance expense only. Includes only locomotives on operating Leases (Reference: Instruction 1312).

<sup>3</sup> For investment and amortization only.

<sup>4</sup> For repair expense only.



LOCOMOTIVE CATEGORIES FOR  
SERVICING EXPENSE<sup>1</sup>

<u>Group</u>	<u>Code</u>	<u>Description</u>
Road Freight	200	Diesel
Road Passenger	210	Diesel
Yard	220	Diesel and Booster
Associated Equipment	230	Generator Cars and Robot Cars
	290	Amounts Billed to Others <sup>2</sup>
	291	Cost of Work Performed for Others <sup>2</sup>

Notes: <sup>1</sup> *Including all locomotives operated and serviced by the carrier, whether owned by the carrier or others.*

<sup>2</sup> *For repair expense only.*



FREIGHT CAR TYPES FOR INVESTMENT, AMORTIZATION, MAIN SHOP  
REPAIRS AND MAJOR COMPONENTS LINE POINT MAINTENANCE

<u>Code</u>	<u>Description</u>
300	Box Car - Standard, 40 Foot
301	Box Car - Standard, 50 Foot and Longer
302	Box Car - Insulated
303	Box Car - Equipped
310	Hopper Car - Standard, Open
311	Hopper Car - Standard, Covered
312	Hopper Car - Equipped
320	Gondola Car - Standard
321	Gondola Car - Equipped
330	Refrigerator Car
340	Flat Car - General Service
341	Flat Car - Multi-Level
342	Flat Car - Intermodal
343	Flat Car - Bulkhead
344	Flat Car - Other
350	Stock Car
360	Caboose
380	All Other Freight Cars
390	Amounts Billed to Others <sup>1</sup>
391	Cost of Work Performed for Others <sup>1</sup>

Note: <sup>1</sup> For repair expense only.



FREIGHT CAR CATEGORIES FOR  
CLEANING EXPENSE

<u>Code</u>	<u>Description</u>
420	Box Car
421	Refrigerator Car
422	Hopper or Open Top Car
423	Stock Car
424	Flat Car
425	Tank Car
426	Government Owned Hopper Car
427	Other



FREIGHT CAR CATEGORIES FOR  
SPECIALIZED SERVICING EXPENSE

<u>Code</u>	<u>Description</u>
440	Grain Doors and Linings <sup>1</sup>
441	Stock Car
442	Temperature Control Car <sup>2</sup>
443	Intermodal Flat Car
444	Multi-Level or Bulkhead Flat Car
445	Caboose
446	Other

Notes: <sup>1</sup> *In the case of "Grain Doors and Linings", the category is defined by both car type and commodity.*

<sup>2</sup> *Includes both refrigerator cars and insulated box cars.*



FREIGHT CAR CATEGORIES FOR CAR MILE  
RECORDING FOR COSTING OF SPECIALIZED  
SERVICING EXPENSE

<u>Code</u>	<u>Description</u>
460	Stock Car
461	Temperature Control Car <sup>1</sup>
462	Intermodal Flat Car
463	Multi-Level or Bulkhead Flat Car
464	Caboose
465	Government Owned Hopper Cars
466	Other

Notes: <sup>1</sup> *Includes both refrigerator cars and insulated box cars.*



PASSENGER CAR CATEGORIES FOR INVESTMENT,  
AMORTIZATION, MAIN SHOP REPAIR AND MAJOR  
COMPONENTS LINE POINT MAINTENANCE EXPENSE

<u>Code</u>	<u>Description</u>
500	Head-end Car <sup>1</sup>
501	Meal Service and Lounge Car <sup>2</sup>
502	Sleeping Car
503	Coach
507	Rail Diesel Car
508	Commuter Car <sup>3</sup>

- Notes: <sup>1</sup> *Includes baggage cars, combination (baggage and other functions) cars and battery charger cars.*
- <sup>2</sup> *Includes club cars with meal service and done cars.*
- <sup>3</sup> *Includes all car types used in commuter service.*



**PASSENGER CAR CATEGORIES FOR LEASE,  
RENTAL, LINE POINT REPAIR, LUBRICATION  
AND CLEANING EXPENSE**

<u>Code</u>	<u>Description</u>
550	Rail Diesel Car
553	Commuter Car <sup>1</sup>
554	Other
590	Amounts Billed to Others <sup>2</sup>
591	Cost of Work Performed for Others <sup>2</sup>

Notes: <sup>1</sup> *Includes all car types used in commuter service.*  
<sup>2</sup> *For repair expense only.*



## UNITS OF PROPERTY

This list of units of property is established for the purpose of designating the items of property which are subject to write-out write-in accounting in the course of replacement and major renewals. When property is retired and not replaced the cost there of shall be written out of road and equipment accounts whether or not it constitutes a unit as established in this list.

*Reference: Instruction 1306.*

102 Grading

A retaining wall.

Riprap.

A protecting dyke.

A protecting crib.

A revetment.

A pipe or other structure to provide drainage.

103 Rail

*New rail* - 2000 feet (600 metres) of rail i.e. 1000 continuous feet (300 metres) of track in programmed replacement.

*Relay rail* - 2000 feet (600 metres) of rail i.e. 1000 continuous feet (300 metres) of track in programmed replacement.

105 Ties

Each tied laid in programmed replacement work.

106 Paved Concrete Trackbed (PACT System)

Paved concrete trackbed for 100 continuous feet (30 metres) of track in programmed replacement.

107 Other Track Material (O.T.M.)

Other track material installed in conjunction with programmed rail replacement requiring a rail investment change; in programmed work where a tie investment change is involved; or where there is a change in investment in O.T.M.

## **schedule O**

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### 109 **Ballast**

Ballast for 1000 continuous feet (300 metres) of track in programmed replacement work.

Sub-ballast for 1000 continuous feet (300 metres) of track in programmed placement work.

### 115 **Bridges**

A steel or concrete bridge span.

A concrete, steel or stone pier or abutment.

A concrete or timber trestle, a complete bridge or approach.

A complete machinery installation for operating a moveable span.

A footwalk or roadway attached to a railway bridge. A bridge deck.

Any applicable units listed in Account 102.

### 117 **Culverts**

A complete culvert.

### 119 **Tunnels**

The entire masonry, entire timber and entire metal lining of a tunnel or subway, including portals and wing walls.

Drainage - Each entire installation.

Lighting - Each entire installation.

Ventilation - Each entire installation.

### 121 **Fences, Snow Sheds and Rock Sheds**

A complete snow shed.

A complete rock shed.

A continuous mile of:

- right-of-way fence;
- permanent sand or snow fence.

123 Public Improvement

Any applicable units listed under other accounts.

125 Other Right-of-Way Property

Any applicable units listed under other accounts.

131 Office and Common Buildings

A complete building, including attached platform or ramp.

A complete platform or ramp structurally detached from a building.

Each retaining wall installation.

Each storm or sanitary sewer installation.

A track scale - fixed.

A track scale pit.

A fixed outside crane or conveyor system for handling freight.

A power plant.

A sub-station or complete switching station.

A power transmission tower.

Each outside steam, water, air, etc., pipeline installation.

A complete fence.

Paving - A complete installation.

A yard lighting system.

A yard communication system.

Any applicable units listed under other accounts.

133 Office and Common Buildings Moveable Equipment and Machinery

An office machine.

A business machine.

Office furnishings.

## **schedule O**

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A general purpose computer.

A mobile track scale.

A mobile outside crane or conveyor system for handling freight.

A continuous mile or a separate installation if less than a mile of transmission line, including poles, wires, transformer switches and other appurtenances.

A transformer.

A boiler.

Any applicable units listed under other accounts.

### 135 Passenger Stations

Any applicable units listed under Account 131.

### 137 Passenger Station Moveable Equipment

Any applicable units listed under Account 133.

### 139 Roadway Buildings

Any applicable units listed under Account 131.

### 141 Roadway Building Machines and Moveable Equipment

Any applicable units listed under Account 145.

### 143 Equipment Repair Shops

A complete building, including attached platform.

A complete platform structurally detached from a building.

A turntable.

A turntable pit.

A transfer table with machinery.

A transfer table pit.

A sand storage, handling and drying apparatus.

Outdoor bins complete - Each complete installation.

A smoke stack not mounted on boiler.

A boiler washing plant - Each complete installation.

Each outside pipe installation for steam, air , water, etc.

Each sewer installation - storm or sanitary.

Paving - Each complete installation.

Each shop fence or wall installation.

Any applicable unit listed under other accounts.

145 Shop Machinery and Moveable Equipment

A machine.

Equipment.

A boiler installation - complete.

Testing equipment.

An overhead crane - complete.

149 Signals

A complete or partial signal system with associated parts.

A continuous mile or complete installation if less than a mile of:

- pole line including cross arms, wires and appurtenances;
- cable with associated parts;
- conduit with associated parts.

A switch machine with associated parts.

A complete:

- building;
- interlocking plant;
- interlocking machine;
- signal bridge;
- highway crossing protection system;
- car retarder installation.

A complete or partial traffic control or C.T.C. system installation.

A system for detecting a snowslide or rockfall - Each complete installation.

## schedule O

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### 151 Rail Communication Systems

#### Outside Plant

A complete building.

A continuous mile or complete installation if less than a mile of:

- pole line including cross arms, wires and appurtenances;
- conduit with manholes and other associated parts.

In programmed work:

- each pole, including guys and anchors;
- each cross arm including braces, log screws and wood pins.

A continuous mile of single wire, including insulators, steel pins and transposition brackets.

A continuous section of 500 feet of cable including strands, clamps, supporting rings, wire and terminals.

Each loading system.

Each complete installation of pneumatic tubes.

#### Inside Plant

A complete bay, with or without associated equipment for:

- terminal switching equipment;
- telegraph switchboard;
- other similar equipment.

A repeater unit with or without associated equipment.

A telex, teletype, facsimile, ticket or other similar transmitting or receiving equipment.

A concentrator unit with or without associated equipment.

An operating unit of assignment apparatus.

A network terminal or repeater for program including associated equipment.

Radio:

- a one way radio channel terminal with modulating or demodulating equipment;
- a one way radio channel repeater with intermediate frequency and modulating or demodulating equipment;

An antenna and associated transmission line.

A traffic switching system:

- a receiver unit (position);
- a sender unit (position);
- a selector unit and associated equipment.

Reperforator or similar system:

- a complete directing equipment cabinet;
- a complete sending equipment cabinet;
- a complete switching system.

A unit of testing equipment, fixed or portable.

Power Plant equipment:

- a battery installation;
- a charging unit;
- a discharging unit;
- an engine generator set and associated equipment.

A unit of work equipment:

- cable hangers;
- post hole diggers;
- vehicles;
- shop equipment;
- experimental equipment, etc.

157 Intermodal Terminals

A complete loading ramp installation.

Any applicable unit listed under Account 131.

**schedule O**

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159 Rail Freight Terminals

An automobile storage compound.

A container storage compound.

A system for loading and/or unloading special products – each complete installation.

Any applicable unit listed under Accounts 131 and 133.

161 Marine Terminals

A timber or steel float bridge.

A wharf (including pile clusters).

A timber incline.

A bulkhead.

A jetty or breakwater.

A ferry rack (including pile clusters).

A float rack.

A complete machinery installation.

A timber or steel bridge.

A complete loading or unloading machine.

Any applicable units listed under other accounts.

163 Fuel Stations

A complete fuel supply system, including appurtenances.

A pumphouse.

A fuel oil storage tank (large).

Pumping machinery – each complete installation.

171 Locomotives

A locomotive unit.

A robot car.

A generator car.

A major spare component.

173 Freight Cars

A complete car.

175 Passenger Cars

A complete car, including motor equipment of motor driven car.

177 Intermodal Terminal Handling Equipment

Any applicable units in Accounts 133, 179 and 181 employed solely in intermodal terminals.

179 Trailers, Semi-Trailers, Containers, Chassis and Bogies

A semi-trailer.

A trailer.

A freight container.

A chassis or bogie unit.

181 Highway Tractors

A highway tractor (for over-the-road operations).

183 Roadway Machines

A complete machine for the maintenance and for construction of tracks, bridges and signals, including accessories.

## **schedule O**

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### 187 Work Equipment

A complete car or machine, including accessories.

A boiler.

An engine.

A motor.

Mounted equipment (with or without self-contained machinery) such as concrete mixer, snow plough, crane or pile driver.

A complete vessel or boat.

Any applicable units listed under other accounts.

### 189 Other Non-Revenue Rolling Stock

Any applicable items listed under Account 187.

### 191 Marine Equipment

A complete vessel or boat, exclusive of machinery.

Machinery.

Vessel equipment.

A boiler.

A motor.

An engine.

### 195 Miscellaneous Equipment

An automobile.

A truck.

A snowmobile.

Any applicable item listed under other accounts.

# Canadian Transportation Agency orders

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## table of contents

### Order No.

1998-R-318	June 11, 1998  In the matter of section 156 of the <i>Canada Transportation Act</i> , S.C., 1996, c. 10 (hereinafter the CTA); and  In the matter of a review and revision of the Uniform Classification of Accounts and Related Railway Records prescribed by the Canadian Transportation Agency (hereinafter the Agency) for use by railway companies subject to the CTA.
2009-R-90	February 19, 2009  Revision of the Uniform Classification of Accounts and Related Railway Records prescribed by the Canadian Transportation Agency for use by railway companies subject to the <i>Canada Transportation Act</i> , S.C., 1996, c. 10, as amended.
2010-R-277	May 18, 2010  Revision of the Uniform Classification of Accounts and Related Railway Records prescribed by the Canadian Transportation Agency for use by railway companies subject to the <i>Canada Transportation Act</i> , S.C., 1996, c. 10, as amended.

The Canadian Transportation Agency's Orders can be found at [www.cta.gc.ca](http://www.cta.gc.ca).