

UNIFORM SYSTEM OF ACCOUNTS
For
AUTO TRANSPORTATION COMPANIES

Operating Under
CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY

APPENDIX A
UNIFORM SYSTEM OF ACCOUNTS FOR
AUTO TRANSPORTATION COMPANIES

Prescribed by the
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

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As Amended

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INCOME ACCOUNTS

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INCOME ACCOUNTS

(ORDINARY ITEMS)

OPERATING REVENUES

3000 Operating revenues (exclusive of transfers from government authorities).

This account shall include the total operating revenues as provided in the primary operating revenue accounts, derived by the carrier from its motor carrier operations during the period covered by the income account.

3200 Passenger revenue.

(a) This account shall include all revenue accrued from the transportation of passengers over regularly operated routes. This includes:

(1) Revenue upon the basis of local tariff fares.

(2) The carrier's proportion of revenue from joint tariff fares.

(b) This account shall be charged with:

(1) Redemptions of unused or partially used local passenger tickets.

(2) The carrier's proportion of redemption of unused and partially used through or interline passenger tickets.

(3) The carrier's proportion of over-charges resulting from the application, in error, of fares in excess of tariffs.

(4) The carriers's proportion of refunds of tickets issued in lieu of passes.

NOTE A: The foregoing is based upon the practice of accounting on a "ticket sales basis" and not on a "ticket lift basis." Carriers using the "ticket lift basis" shall credit this account with the revenue earned from the transportation of passengers as determined by the "ticket lift" concurrently charging account 2080, Unredeemed Tickets.

NOTE B: By "regularly operated routes" is meant routes or portions thereof over which uniform service is maintained at intervals of 1 week or less.

NOTE C: Revenue from transportation of passengers on special buses at fares based on special rates shall be credited to account 3210, Special Bus Revenue.

NOTE D: Payments to other carriers for transportation of passengers, their baggage and personal effects to complete any portion of the reporting carrier's haul, shall be charged to account 4250, Purchased Transportation, or account 4370, Purchased Collection and Delivery, as appropriate.

NOTE E: Divisions of tariff rates due other carriers shall be included in the appropriate accounts payable account.

NOTE F: Revenue derived from sleeping accommodations furnished

passengers shall be included in account 3900, Other Operating Revenue.

3210 Charter Bus Revenue.

(a) This account shall include the amounts earned by the carrier from buses chartered for charter passenger and other special contract service.

(b) This account shall be charged with the amounts of all charger bus refunds.

3220 Baggage revenue.

(a) This account shall include the revenues earned from the transportation of baggage in excess of free authorized allowances and for the transportation of packages, articles, dogs, etc., as baggage.

(b) This account shall be charged with the amounts of all baggage refunds.

3300 Mail revenue.

(a) This account shall include revenue earned from the transportation of United States and other mails, and from bonuses for special mail transportation.

(b) This account shall be charged with fines and penalties imposed by the Government in connection with the transportation of mail which are not collectable from agents or employees.

3400 Express revenue.

(a) This account shall include the amounts earned by the carrier from the transportation of express matter (including milk and cream) at specified tariff rates and the fees for handling express c.o.d.'s.

(b) This account shall be charged with:

(1) The carrier's proportion of over-charges resulting from use of erroneous rates, weights, classifications or computations.

(2) Uncollected earnings on express destroyed in transit and on short and lost express.

3500 Newspaper revenue.

(a) This account shall include the revenue earned from the transportation of newspapers at specified tariff rates.

(b) This account shall be charged with the amounts of all refunds on newspaper revenue billing resulting from overcharges, etc.

3600 Miscellaneous station revenue.

This account shall include the revenue earned by the carrier from:

(a) Weighing, vending and other automatic machines located at stations.

(b) Advertising cards at stations.

(c) Companies or others for the privilege of operating newsstands, lunch counters, soda fountains, etc., at stations, and

selling papers, periodicals, pillows or pillow service, tobacco, etc., on buses.

(d) Telephone companies for the privilege of installing and operating commercial telephones and coin box telephones at stations.

(e) Taxicab companies for the privilege of operating taxicab stands at stations.

(f) Operation of parcel rooms.

(g) Parcel room privileges in stations and terminals of the carrier and leased to others.

(h) Storage of baggage.

(i) Operation of restaurants, cafes, lunch rooms, lunch counters, cafeterias and soda fountains.

(j) Operation of all other miscellaneous station concessions, not provided for elsewhere.

3700 Operating revenues-transfers from government authorities for current operations.

This account shall include amounts received or receivable from Federal, State, or municipal authorities which are specifically designated to offset operating expenses, or which may be applied at the discretion of the carrier to operating expenses and/or carrier operating property.

This account shall include amounts received from government authorities to offset operating costs sustained on specific routes, such as payments by regional transit authorities in connection with specified commuter operations performed by the carrier.

This account shall also include indirect receipts which reduce operating expenses such as assumption of station maintenance costs, abatement of taxes, or other indirect contributions by government agencies, if clearly identifiable and measurable.

When a Federal, State, or municipal government transfers cash or other assets to a motor carrier of passengers, the transaction shall be accounted for in accordance with the provisions set forth hereunder.

(a) The following forms of government transfers shall be included in account 3700, "Operating Revenues-Transfer from Government Authorities for Current Operations" when received:

(1) Payments as reimbursement for operating losses sustained on a specific route or in a certain region, such as support of busline commuter operations:

(2) Subsidies designated by the donor to offset operating expenses of the recipient, and

(3) Subsidies which may be applied at the discretion of the recipient to operating expenses and/or operating property.

(b) Government transfers relating to the acquisition, addition to, or improvement of depreciable operating property shall be included in account 2410, "Deferred Revenues-Transfers from Government Authorities" when received. Account 2410 shall be periodically charged, and account 3800, "Operating Revenues-

Amortization of Deferred Transfers from Government Authorities" shall be credited with amounts equal to the depreciation costs of the assets to which they apply.

(c) Government transfers in the form of, or designated for the purchase of nondepreciable operating property shall be included in account 2900, "Unearned Surplus" in the manner described in the text of that account.

(d) The provisions of this section do not apply to government payments for specific services rendered by the carrier in transporting passengers by bus line (other than services described in paragraph (a)(1) of this section). Such payments shall be included in account 3000, "Operating Revenues (Exclusive of Government Transfers)."

(e) The provisions of this section do not apply to government transfers relating to other than carrier operations.

(f) The provisions of this section do not apply to government transfers in exchange for debt and/or equity securities of recipients.

(g) Government transfers shall generally be recorded when made available to the carrier. However, transfer relating to specific operations shall be recorded as earned.

(h) Government transfers in the form of assets other than cash shall be recorded at fair value when received.

3800 Operating revenues-amortization of deferred transfers from government authorities.

This account shall include the amortization applicable to amounts representing the cost of acquisition, addition to, or improvement of depreciable operating property received from Federal, State or municipal authorities.

3900 Other operating revenues.

This account shall include revenues not provided for in accounts 3200 to 3600, inclusive, derived from the operation of property, the investment in which is included in account 1200, Carrier Operating Property, including amounts received from sleeping accommodations on buses, snowplow work and revenue from display of advertising in and on revenue automotive equipment, and the excess of guaranteed route revenue over tariff revenues.

OPERATION AND MAINTENANCE EXPENSES

4000 Operation and maintenance expenses.

This account shall include the total of operation and maintenance expenses, as provided in the primary accounts, incurred by the carrier in its motor carrier operations during the period covered by the income account.

4100 Equipment maintenance and garage expenses.

This account shall include the total of amounts included in accounts 4110 to 4196, inclusive.

4110 Supervision of shop and garage.

This account shall include the pay and expenses (including cost of operating automobiles) of officials and employees engaged in supervising and directing the repairs to revenue automotive equipment and shop and garage property used in providing motor carrier service, including superintendents, foremen (except working foremen), inspectors, shop and garage clerks, and time keepers.

4121 Repairs to shop and garage equipment.

This account shall include the cost of repairs to tools, equipment and permanently located machinery used in shops and garages. (For list of equipment, see account 1241, Shop and Garage Equipment.)

NOTE A: The cost of repairs to portable tools shall be included in account 4132, Other Shop and Garage Expenses.

NOTE B: Amounts recovered from insurance companies or others and losses provided for in account 2660, Insurance Reserves, for damages to shop and garage equipment shall be credited to this account in such manner as to be readily identifiable.

4122 Operation and maintenance of service equipment.

This account shall include the cost of labor, fuel, tires and supplies for the operation and the cost of repairs to service equipment, such as trouble cars and wagons, wreckers, repair trucks, snowplows, sweepers, scrapers, refueling cars, automobiles, motorcycles, or other equipment.

NOTE A: The pay of employees and expenses incurred in operating snowplows, sand, and salt cars, and other service equipment used in cleaning and safeguarding roads, shall be charged to account 4261, Road Expense.

NOTE B: Amounts recovered from insurance companies or others and losses provided for in account 2660, Insurance Reserves, for damage to service equipment shall be credited to this account in such manner as to be readily identifiable.

NOTE C: When any service equipment is used in a particular operation other than maintenance, such as automobiles or motorcycles used in connection with advertising, the cost of operation of such service equipment shall be charged to the account provided for expenses of that character.

4128 Repairs to shop and garage buildings and grounds.

This account shall include the cost of repairs to shop and garage structures used in motor carrier operations such as shops, garages, and service stations, together with fixtures, grounds and approaches.

ITEMS

Changing location of partitions. (See also note A hereunder.)

Maintaining public improvements, including assessments covering such work.
Maintaining yards and grounds, including fences, shrubbery, driveways, sidewalks, platforms, and sewers.
Minor improvements to leased buildings and grounds.
Repainting buildings, including redecorating interiors of buildings.
Repairing building machinery, fixtures, appurtenances, and appliances, such as elevators, plumbing, and equipment for heating, lighting and ventilating.
Repairing rented buildings and grounds.
Replacing and repairing awnings, screens, window shades and ventilators, storm doors, storm windows, movable partitions, and similar movable minor items of buildings. (See also note A hereunder.)
Replacing minor items of buildings including labor and material used and the cost of removal and recovery of the items retired less salvage recovered. (See note A hereunder.)
Restoring condition of buildings or grounds damaged or otherwise altered in the course of repairs, replacements, additions, or betterments. (See also account 2660, Insurance Reserves.)

NOTE A: The cost of any substantial increase or decrease in partitions shall be charged or credited, as appropriate, to account 1211-Structures. When partitions of a movable type are replaced by partitions of a permanent type or vice versa, the costs involved shall be accounted for through the operating property and the depreciation reserve accounts.

NOTE B: The cost of initial improvements (including repairs and rearrangements in the preparation for service of purchased buildings or grounds) shall be charged to account 1201, Land and Land Rights, or account 1211, Structures, as appropriate.

4131 Light, heat, power, and water for shops and garages.

This account shall include the cost of light, heat, power and water used at each shop and garage; the cost of fuel used for heating, lighting or power; also include pay and expenses of employees engaged in producing light, heat, and power.

ITEMS

Fuel for heating, lighting, or power used in shops and garages.
Heat purchased for shops and garages.
Light for shops and garages.
Power for battery charging or for other uses than repairs.
Wages and expenses of employees engaged in producing light, heat, and power for shops and garages.
Water.

4132 Other shop and garage expenses.

This account shall include the cost of miscellaneous shop and garage expenses, including the replacement cost of small tools, such as reamers, taps, files, hammers and all small tools of like nature; labor and material used in the repair of small tools; pay of employees engaged in receiving, issuing and distributing parts and supplies; pay of gas and oil attendants transportation, loading and unloading charges on parts and supplies, handled in shops and garages, when not specifically assignable to such parts and supplies; and other miscellaneous labor and expenses not provided for elsewhere.

ITEMS

Ice and other refrigerants.

Lubricants for shop and garage machinery.

Portable hand tools of short life.

Small tools used in repairs or for general shop and garage purposes.

Snow and dust removal-shop and garage yards.

Supplies used in cleaning and for general shop and garage purposes, such as lamps, grease, oil, waste, brushes, brooms, etc.

Other expenses in shops and garages.

4140 Repairs to revenue equipment.

This account shall include cost of repairs to revenue automotive equipment used in transportation service. This account shall be maintained so as to reflect separately the cost of repairs to revenue automotive equipment involved in accidents.

NOTE A: An accident for the purpose of this account is damage caused through the collision of a vehicle with either a stationary or moving object, or through tire failure or fire.

NOTE B: The cost of repairs to equipment used in collection and delivery service if determinable shall be included in account 4360, Collection and Delivery.

4150 Servicing of revenue equipment.

This account shall include the pay of employees engaged in preparing revenue automotive equipment for service and of garage and shop employees other than those engaged in making repairs; the cost of supplies used and miscellaneous expenses incurred in washing, cleaning, greasing, and otherwise keeping equipment ready for service; and amounts paid to public garages for storage or servicing (including towing) of revenue automotive equipment.

ITEMS

Garage employees:

Cleaners.

Oilers and greasers.

Washers.
Garage expenses:
 Battery charging (labor and distilled water).
 Cleaning supplies, such as soap, sponges, brooms, brushes,
 cloths, rubber clothing, etc.
 Graphite.
 Grease.
 Public garage storage charges.
 Public garage servicing charges, including washing,
 greasing, cleaning, etc., but not repairs.
 Washing vehicles.

4160 Tires and tubes-Revenue equipment.

(a) This account shall include the cost of labor and material used in repairing and renewing (setting up or mounting) tires on revenue automotive equipment, including shoes, inner tubes, valves, flaps, and caps.

(b) The entire cost of tires and tubes for revenue automotive equipment purchased outright may be charged to this account at the time vehicles are purchased or charged to account 1170, Prepayments, and a prorated portion charged to this account for each period based on mileage or other equitable basis. If the latter method is used, adjustments of over or under charges at the time of replacement shall be made through this account.

(c) Credit to this account any revenues derived from the sale of used tires and tubes and any adjustments on defective tires and tubes, the cost of which has previously been debited hereto.

(d) When the carrier contracts to use tires at a flat sum per period or on a basis of miles run or upon some similar basis, the charges for such tire service, including the cost of abused tires, shall be included each period in this account.

NOTE A: The cost of tires and tubes used by service cars shall be charged to account 4122, Operation and Maintenance of Service Equipment.

NOTE B: The cost of tires and tubes for collection and delivery equipment if determinable shall be included in account 4360, Collection and Delivery.

4191 Joint garage expenses-Debit.

This account shall include the carrier's proportion of costs incurred by others in maintaining and operating joint shop and garage equipment and facilities, including overhead costs, except items chargeable to account 5340, Joint Facility Rents-Debit.

4196 Joint garage expense-Credit.

This account shall include the amounts chargeable to others as their proportion of the costs incurred by the carrier in maintaining and operating joint shop and garage equipment and facilities, including overhead costs, except items creditable to account 5390, Joint Facility Rents-Credit.

4200 Transportation expense.

This account shall include the total of amounts included in accounts 4210 to 4264.

4210 Supervision of transportation.

This account shall include the pay and expenses (including cost of operating automobiles) of officials and employees engaged in supervising and directing transportation service, including superintendents, dispatchers, starters, inspectors, and employees engaged in furnishing tickets and supplies to drivers of passenger vehicles, or to receiving remittances, etc.; cost of light, heat, water, and refrigeration for the transportation department; and the cost of schedule or service checks.

4220 Drivers' wages and bonuses.

This account shall include the wages and bonuses of drivers of passenger vehicles engaged in passenger transportation service, including wages paid for time during which they are required to be on duty in readiness for active service. The wages of drivers on special trips for hire should also be charged to this account.

NOTE: Charge to account 4360, Collection and Delivery, the wages of employees engaged in collecting express from consignors and delivering express to consignees, and local pick-up and delivery service provided for inter-city passengers, when such wages can be separated from those applicable to regular operation between terminals.

4230 Fuel for revenue equipment.

This account shall include the cost of gasoline, other fuel and enriching materials used by passenger equipment. Include in this account the cost of storing and handling fuel and amounts payable to others for the cost of transportation.

NOTE A: Taxes on fuel shall be charged to account 5200, Operating Taxes and Licenses.

NOTE B: Fuel used by service cars shall be charged to account 4122, Operation and Maintenance of Service Equipment.

NOTE C: The cost of fuel used by equipment in collection and delivery service if determinable shall be included in account 4360, Collection and Delivery.

4240 Oil for revenue equipment.

This account shall include the cost of lubricating oils used in lubricating passenger equipment. Include in this account the cost of storing and handling lubricating oil and amounts payable to others for the cost of transportation.

NOTE A: Taxes on lubricating oil shall be charged to account 5200, Operating Taxes and Licenses.

NOTE B: The cost of lubricating oil used by service cars shall be charged to account 4122, Operation and Maintenance of Service Equipment.

NOTE C: The cost of lubricating oil used by equipment in collection and delivery service if determinable shall be included in account 4360, Collection and Delivery.

4250 Purchased transportation.

This account shall include amounts payable to others for performing any portion of the carrier's inter-city tariff haul under contractual arrangements whereby the agreements for the compensation is based on other than actual division of tariff rates, and under arrangements whereby the expenses of the operation are borne by the hired carrier.

4261 Road expense.

This account shall include the cost of the carrier of labor and material used in sanding roadways, spreading ashes or the removal of snow and ice, and otherwise. This includes the cost of tools and materials used in this work, including the cost of delivering such materials; wages of men operating snowplows, sweepers, tractors, scrapers, etc.; amounts paid to others for removing snow and ice; and other supplies and expenses, such as meals for crews engaged in removing snow and ice.

NOTE: The cost of repairs to equipment used in snow removal shall be included in account 4122, Operation and Maintenance of Service Equipment.

4262 Bridge, tunnel and ferry tolls.

This account shall include tolls at rates per passenger, per ton, per vehicle, or other basis for the use of bridges, tunnels and ferries by revenue passenger equipment in transportation service.

4263 Wages of miscellaneous transportation employees.

This account shall include the wages of co-operators (conductors), hostesses (conductorettes), lecturers and guides on buses, porters and stewards on buses, secret service inspectors, and other employees performing similar service.

4264 Other transportation expenses.

This account shall include carrier transportation expenses not provided for in other accounts in the transportation group.

ITEMS

Alcohol and other non-freeze preparations.

All expenses incidental to the comfort of passengers in connection with breakdowns on the road.

Badges for employees.

Conductors' books, punches, etc.

Fines for traffic violations.
Fire extinguisher supplies (for passenger equipment).
Hat checks.
Head rest covers including laundry.
Ice and other refrigerants (for passenger equipment).
Lamps, bulbs and carbon (for passenger equipment).
Lodging for drivers and miscellaneous transportation employees.
Meals for drivers and miscellaneous transportation employees.
Notices.
Secret service inspections by other than employees.
Signs (paper and cardboard).
Tire chains.
Uniforms, including their care.

4300 Station expense.

This account shall include the total of amounts included in accounts 4311 to 4396, inclusive.

4311 Salaries and commissions.

This account shall include the wages and salaries of station employees; amounts paid to station or ticket agents in commissions or bonuses in lieu of salary; and the wages of express and mail handlers and clerks in passenger stations.

ITEMS

Announcers.
Baggage agents.
Baggagemen.
Clerks.
Commissions or bonuses to employees in lieu of wages.
Express agents.
Express handlers.
Janitors.
Mail handlers.
Platform men.
Porters.
Station agents.
Station gatemen.
Station masters.
Telephone and information operators.
Ticket agents.

NOTE: Commissions paid to other than the accounting carrier's employees for the sale of tickets, handling of express, baggage, newspapers, etc., shall be included in account 4331, Commissions Paid.

4314 Supplies and expenses.

This account shall include the expenses incurred (exclusive of salaries and wages of station employees) in the operation of passenger terminals, waiting rooms, shelter sheds, and other

similar property used by the transportation department in connection with passenger traffic, such as the cost of the light, heat, water, and ice; cost of uniforms and badges for station employees, cost of hand tools and implements used in handling express and mail; cost of operation and maintenance or upkeep of permanent signs designating a station, depot or passenger terminal; and the cost of supplies used and amounts of other expenses incurred in operating passenger stations.

ITEMS

Ash removal.

Badges for employees.

Cleaning supplies.

Heating or cooling, including supplies.

Laundry service, including supplies.

Lighting.

Mail, baggage, and express handling costs, including baggage room expenses (exclusive of labor).

Power costs for station machinery.

Snow and dust removal on station grounds.

Sprinkling station grounds.

Tools and supplies for station use.

4319 Repairs to station buildings and equipment.

This account shall include the cost of repairs to company stations, passenger terminals, waiting rooms, platforms, and other structures, together with fixtures, grounds and approaches, used in passenger transportation service; also include the cost of repairs to station furniture and equipment (but not equipment used in general offices) and carts, electric motor trucks, platform trucks, scales, and loading platforms, in connection with revenue baggage, mail and express.

4331 Commissions paid.

This account shall include the amounts paid to other (except to the carrier's employees and to interline carriers) on a commission or guaranteed basis for the sale of tickets, handling of express, baggage, newspapers, etc.

4332 Other expenses allowed.

This account shall include the amounts allowed to the operators of commission stations and passenger terminal for expenses such as advertising, rent, light, heat, power and water, telephone, telegraph and messenger services, etc.

4340 Interline commission paid.

This account shall include all commissions paid to interline carriers.

4350 Interline commissions earned-Credit.

This account shall include all commissions earned on interline tickets sold.

4360 Collection and delivery.

(a) This account shall include the wages of drivers and helpers and other expenses of equipment used in collecting express from consignors and delivering express to consignees and local pick-up and delivery service provided for intercity passengers when such local service is included in the inter-city tariff rates.

(b) This account is intended to be used only when the expenses incurred in such local service can be separated from those incurred in regular operation between terminals.

(c) This account shall be subdivided to reflect separately:

- (1) Wages of drivers and helpers.
- (2) Gasoline and oil expense (not including taxes).
- (3) Tires and tubes.
- (4) Repairs and servicing of equipment.
- (5) Other assignable operations and maintenance expenses.

4370 Purchased collection and delivery.

This account shall include amounts payable for collection, delivery and transfer service performed by others under contractual arrangements, whereby the agreement for the amount payable is based on other than actual division of tariff rates.

4391 Joint station facilities-Debit.

This account shall include the carrier's proportion of costs incurred by others in maintaining and operating joint station equipment and facilities, including overhead costs, except items chargeable to account 5340, Joint Facility Rents-Debit.

4396 Joint station facilities-Credit.

This account shall include the amounts chargeable to others as their proportion of the costs incurred by the carrier in maintaining and operating joint station equipment and facilities, including overhead costs, except items creditable to account 5390, Joint Facility Rents-Credit.

4400 Traffic, solicitation and advertising expense.

This account shall include the total of amounts included in accounts 4410 to 4470, inclusive.

4410 Salaries and expenses.

(a) This account shall include all salaries and expenses in connection with the promotion and solicitation of traffic. This includes the salaries of officers and their assistants who are directly in charge of traffic promotion and solicitation, including salaries of the traffic manager, general express and passenger agents; general commercial, city, general district and excursion agents, and their clerks and assistants.

(b) This account shall also include the cost of supplies used and the amounts of expenses incurred and cost of operating automobiles by officers and their assistants who are directly in charge of traffic promotion and solicitation.

NOTE: When officers and employees whose pay is chargeable to this account are engaged in work not chargeable to traffic promotion, or have jurisdiction over this and other departments, their salaries and expenses shall be allocated to the accounts appropriate.

4430 Tariffs and schedules.

This account shall include the salaries and expenses of officers and employees engaged in the preparation of tariffs, schedules and time tables, the cost of printing and other expenses incurred in the preparation of tariffs, schedules and time tables, including postage and transportation charges.

4440 Tickets and baggage checks.

This account shall include the salaries and expenses of employees engaged in receiving and distributing tickets, baggage checks, etc., together with the cost of manufacturing tokens and of printing tickets, baggage checks, milk checks, cash fare receipts, prepaid orders, identification checks, passes and other items of a similar nature, including transportation charges in connection therewith.

4450 Other traffic expenses.

This account shall include the carrier's proportion of expenses of traffic associations, including membership fees, and all other traffic expenses not provided for elsewhere.

4470 Advertising.

(a) This account shall include the salaries and expenses in connection with advertising for the purpose of securing traffic, such as may be incurred in the preparation, printing and distribution of strictly advertising matter (not time tables).

(b) This account shall also include the salaries and expenses of employees preparing advertising copy; the commissions paid outside advertising agents; cost of printing, publishing, and other advertising matter; the cost of advertising space in newspapers and periodicals; expenses incurred in connection with radio broadcasting for the purpose of securing traffic; electric, neon and display signs (permanent or portable), for attracting traffic, bulletin boards, cards, cases, display cards and photographs; postage and express charges on advertising matter; cost of bill posting and similar expenses.

NOTE: Cost of operation and maintenance of permanent signs designating a station or terminal shall be included in account 4314, Supplies and Expenses.

4500 Insurance and safety expense.

This account shall include the total of amounts included in accounts 4510 and 4580, inclusive.

4510 Salaries and expenses-Insurance and safety.

(a) This account shall include the following items:

(1) Salaries and wages, traveling and office expenses of officers, clerks and other employees of the insurance department, and special costs incurred in procuring insurance, such as brokerage fees (not included in premiums), notarial fees, and insurance inspection service.

(2) Salaries and expenses of safety department, cost of safety-first and other campaigns among employees or the public for the purpose of preventing accidents and damages.

(3) Salaries and expenses of officers and employees engaged regularly in claim department work, payments for the service of employees and others called in consultation in relation to claim adjustments; pay and expenses of employees while engaged as witnesses at inquests and law suits.

(4) Salaries and expenses of officers and employees of the law department when specifically assigned to and engaged in injury and damage cases, and expenses of such officers and employees incurred on such cases when incidentally so engaged.

(5) Payment to attorneys, investigators, adjusters, etc., who are not regular employees of the carrier for services and expenses in connection with injury and damage cases.

(6) Cost of operating automobiles used by employees whose pay is charged to this account.

(b) Reimbursements from insurance companies or others for expenses charged to this account on account of injuries and damages shall be credited to this account.

NOTE: No part of the salaries of officers and employees of the law department shall be included in this account for merely incidental service in connection with injury and damage claims.

4520 Public liability and property damage insurance.

This account shall include premiums payable to outside insurance companies for protection against liability to the public for injuries to persons and damages to the property of others, resulting from the operation of owned and leased vehicles in motor carrier service.

NOTE A: Premiums for insurance on property entrusted to the carrier for transportation or storage shall be included in account 4550, Baggage and Express Insurance.

NOTE B: Amounts payable in settlement of claims for bodily injury or property damage which are not recoverable from insurance companies and for which the carrier has not provided estimated accruals for claims shall be charged to account 4530, Injuries and Damages.

4530 Injuries and damages.

This account shall be charged each period with amounts estimated to settle claims by others for injuries to persons (other than employees-see account 4546, Workmen's Compensation-Provision for Claims) or damage to or destruction or loss of property, whether caused by fire, accident, or other cause, which are not covered by commercial insurance and which are not provided for elsewhere. The carrier shall not accrue amounts to cover risk or loss or damage to its property from fire, theft, or similar loss contingencies.

This account shall also be charged with amounts payable in settlement of claims for injuries to persons and damage to property of others which are not recoverable from insurance companies or for which estimates have not been provided.

NOTE: Payments to or on behalf of employees other than those covered by workmen's compensation insurance, including accident and death benefits, salaries; hospital expenses; medical supplies; also salaries, fees and expenses of surgeons, doctors, nurses, etc., when provided for through a plan for employees' benefits, shall be charged to account 4652, Employees' Welfare Expenses.

4541 Workmen's compensation-Insurance.

This account shall include premiums payable to outside insurance companies for protection against liability for injuries to or deaths of employees payable under the provisions of workmen's compensation acts.

NOTE: Amounts payable in settlement of claims under the provisions of Workmen's Compensation Acts which are not recoverable from insurance companies shall be charged to account 4546, Workmen's Compensation-Provision for Claims.

4546 Workmen's compensation-Provision for claims.

This account shall be charged each period with amounts estimated to settle claims by others for injuries to and death of employees arising under the workmen's compensation acts. This account shall also be charged with amounts payable in settlement of claims which are not recoverable from insurance companies or for which estimates have not been provided.

NOTE: Payments to or on behalf of employees other than those covered by workmen's compensation insurance, including accident and death benefits; salaries; hospital expenses; medical supplies; also salaries, fees and expenses of surgeons, doctors, nurses, etc., when provided for through a plan for employees' benefits, shall be charged to account 4652, Employees' Welfare Expenses.

4550 Baggage and express insurance.

This account shall include premiums payable to outside insurance companies to indemnify the carrier against costs and expenses incurred through loss of and damage to express matter and baggage entrusted to the carrier for transportation or storage.

NOTE: Amounts payable in settlement of claims for loss of or damage to property entrusted to the carrier for transportation or storage which are not recoverable from insurance companies and for which the carrier has not provided estimates shall be included in account 4560, Baggage and Express Loss and Damage.

4560 Baggage and express loss and damage.

This account shall be charged each period with amounts estimated to settle claims by others for loss, damage, destruction or delay to express matter, baggage, parcels, etc., entrusted to the carrier for transportation or storage. The carrier shall not accrue amounts to cover risk or loss or damage to its property from fire, theft, or similar loss contingencies. This account shall also be charged with amounts payable in settlement of claims which are not recoverable from insurance companies or for which estimates have not been provided.

NOTE: Any provision or amounts payable for injuries or damages to employees and others, or amounts payable on account of damages to the property of others not entrusted to the carrier for transportation or storage shall be included in account 4530, Injuries and Damages.

4570 Fire and theft insurance.

(a) This account shall include premiums payable to outside insurance companies for fire and theft insurance on owned and lease vehicles and for fire insurance on structures, machinery, and equipment used in motor carrier operations.

(b) This account shall be charged with losses arising under the classes of risks enumerated in paragraph (a) which are not recoverable from insurance companies. The carrier shall not accrue amounts to cover risk of loss or damage to its property from fire, theft, or similar loss contingencies.

(c) This account shall be charged with losses arising under the classes of risks enumerated in paragraph (a) which are not recoverable from insurance companies and for which the carrier has not provided self-insurance.

4580 Other insurance.

(a) This account shall include premiums paid to outside insurance companies for boiler; burglar; fidelity; holdup; lightning; plate glass, owners, landlords and tenants liability; and other forms of insurance coverage not else where provided for.

(b) This account shall be charged with losses arising under the classes of risks enumerated in paragraph (a) of this section, which are not recoverable from insurance companies. The carrier shall not accrue amounts to cover risk of loss or damage to its property from fire, theft, or similar loss contingencies.

NOTE: The cost of life insurance on the lives of officers and other employees of the carrier whereunder the carrier is the beneficiary shall be charged to account 7500, Other Deductions.

4600 Administrative and general expense.

This account shall include the total amounts included in accounts 4611 to 4696, inclusive.

4611 Salaries of general officers.

This account shall include the salaries, bonuses and other forms of consideration for services of general officers whose jurisdiction extends over the entire transportation system of the carrier; and fees payable to receivers. As here used, the term "General Officers" would ordinarily include the following: Chairman of the Board, President, Vice President, Treasurer, Secretary, Comptroller, General Auditor General Manager.

NOTE A: Do not include in this account amounts payable to organizations for services chargeable to account 4660, Management and Supervision Fees and Expenses.

NOTE B: If officers and assistants supervise particular departments of carrier operations, or other operations, or are engaged in specific work other than supervision of the entire transportation system, their pay and expenses shall be apportioned to the appropriate accounts for carrier operations or other operations.

4612 Expenses of general officers.

This account shall include expenses incurred, including cost of operating automobiles, for the benefit of motor carrier operations by administrative officers (as defined in account 4611) such as traveling, and other incidental expenses.

ITEMS

Hotel.

Meals.

Membership fees and dues in trade, technical and professional associations.

Traveling expenses.

NOTE: Expenses in connection with operating the general offices of the carrier shall be included in account 4630, General Office Supplies and Expenses.

4613 Salaries of general office employees.

This account shall include the salaries, bonuses and other forms of consideration for services of employees who are engaged in the general administrative offices of the carrier and whose services are not chargeable to any other department or to other operations, including the following: accountants, bookkeepers, cashiers, clerks, engineers, janitors, messengers, paymasters, statisticians, stenographers, traveling auditors.

4616 Expenses of general office employees.

This account shall include the expenses incurred, including cost of operating automobiles, for the benefit of motor carrier operations by employees whose salaries are included in account 4613, Salaries of General Office Employees.

ITEMS

Hotel.

Meals, including payment therefor on account of overtime work.

Membership fees and dues in trade, technical and professional associations.

Traveling expenses.

4620 Law expenses.

This account shall include, except as provided for elsewhere, the pay and expenses of officers, assistants, office forces, and other employees of the law department; fees and retainers, supplies, and expenses of attorneys not regularly employed; court costs; and supplies and expenses of the law office.

ITEMS

Salaries:

Attorneys and assistants.

Clerks.

Counsel.

Law clerks.

Special counsel.

Other employees of law department.

Expenses:

Building service.

Cost of law suits.

Cost of operating automobiles.

Cost of preparing and printing agreements, briefs, reports, etc.

Court costs.

Court fees.

Law books, periodicals and subscriptions to special services.

Law expenses of receivers.

Legal forms, and law offices supplies postage and stationery.

Meals, including payment therefor on account of overtime work.

Payments to attorneys who are not regular employees.
Premiums on court and other bonds.
Printing.
Tax reports, claims, etc., when handled by legal staff.
Transcripts of testimony, copies of exhibits, etc.
Traveling expenses of attorneys, witnesses, etc.
Witness fees.

NOTE A: The pay of law department officers and employees engaged in formal cases before regulatory commissions, or in cases in which such a commission is a party, or when specifically assigned to injury and damage cases, shall be charged to account 4673, Other Regulatory Commission Expenses, account 4510, Salaries and Expenses-Insurance and Safety, or other appropriate account.

NOTE B: Law expenses incident to the purchase and construction of carried operating property or the acquisition of certificates from Federal or State commissions or securing from local authorities franchises or consents with a life of more than one year shall be charged to the appropriate subdivision of account 1500, Organization, Franchises and Permits. Law expenses incident to the issuance of long-term debt or capital stock shall be charged to account 1880, Unamortized Debt Discount and Expense, account 2400, Unamortized Premium on Debt, or account 1910, Commission and Expense on Capital Stock, as appropriate.

4630 General office supplies and expenses.

This account shall include the cost of office supplies and the office expense in connection with the general administrative functions of the carrier's motor carrier operations.

ITEMS

Books.
Cleaning office.
Drinking water and refrigeration.
Heat and light.
Janitor service.
Letterheads and envelopes.
Paper.
Pens, pencils, ink, fasteners and office supplies.
Postage.
Printing forms for office use.
Repairs to general office buildings, furniture, fixtures,
and equipment.
Stationery and office supplies.
Subscriptions to newspapers, periodicals and clipping bureaus.
Towels.
Typewriter supplies.
Waste baskets.

4640 Communication service.

This account shall include the cost of all communication service payable to outside companies, such as telephone, teletypewriter, telegraph, radio, etc.

NOTE: Taxes on telegrams and telephone tolls shall be charged to account 5200, Operating Taxes and Licenses.

4651 Outside auditing expenses.

This account shall include amounts paid as fees for auditing and accounting services rendered by individuals or firms other than carrier's employees.

4652 Employees' welfare expenses.

(a) This account shall include pensions or other benefits paid to active and retired employees, their representatives or beneficiaries, and salaries and expenses incurred in conducting relief, benefit and general medical departments. It shall include payments to or on behalf of employees on account of injuries or accidental death when such payments come within the scope of a carrier's general provision for employees' benefits.

(b) If the carrier has definitely undertaken by contract to pay pensions to employees when regularly retired for superannuation or disability and has established a fund to be held in trust for such pension purposes, the carrier shall charge to this account periodic amounts determined through the application of equitable actuarial factors to the current payrolls, which, together with interest accruals on trust funds, will as nearly as may be practical, provide for the payment of such pensions, or for the purchase of annuities corresponding thereto. The amounts so charged shall be concurrently credited to a separate subdivision of account 2690, Other Reserves. The total of actual payments and accruals for future payments charged to this account for pensions, shall not exceed the amounts determined as hereinbefore prescribed. The carrier shall maintain a complete record of the actuarial computations through which the accrual each period of its pension liabilities is established.

(c) Upon the adoption of the accrual plan of accounting, pension payments to employees retired before the adoption of such plan shall be charged to an existing pension reserve, this account 4652. If a carrier pays into its pension trust fund the amount of its existing pension reserve, any such amounts in excess of provision for pensions granted prior to the adoption of the accrual plan may be applied in whole or in part to the adjustment of future accrual charges.

(d) Before adopting the accrual plan of accounting for pensions, the carrier shall inform the commission of the details of its pension plan, giving full statement of the facts which in its judgment establish a contractual obligation for pension payments, together with the actuarial formula under which it

proposes to create its pension trust fund, and also a copy of the declaration of trust under which the fund is to be established.

(e) No charges shall be made to this account in anticipation of discretionary pension payments in the future.

ITEMS

Accident, sickness, death, and other disability benefits to employees, their representatives or beneficiaries.

Employees of relief, benefit, and general medical departments, pay and expenses of.

Expenses in connection with employees' disability cases, such as hospital, nursing, and medical attendance.

Fees and retainers for medical and similar services incurred by relief, benefit, and general medical departments.

Medical service.

Office supplies.

Postage, printing and stationery.

Premiums paid for group insurance for the benefit of employees or their beneficiaries.

Traveling expenses.

NOTE: The cost of life or other insurance whereunder the carrier is the beneficiary shall be charged to account 7500, Other Deductions. Cash surrender values of such policies shall be carried in account 1650, Other Investments and Advances.

4655 Purchasing and store expenses.

(a) This account shall include salaries and expenses of purchasing agents, and their assistants, whose jurisdiction extends over all purchases such as parts, gasoline and other fuel, stationery supplies, etc.

(b) This account shall include credits for cash and other discounts when it is not practical to apply such discounts directly to the cost of materials to which they relate.

(c) This account shall include such differences from inventory adjustments which have not been otherwise apportioned in accordance with note B under account 1180, Material and Supplies.

NOTE: Suitable proportions of items included in this account may be allocated to the cost of materials and supplies.

4656 Other general expenses.

(a) This account shall include all general expenses connected with motor carrier operations not provided for elsewhere including fees and expenses payable to directors and trustees; expenses in connection with publishing and mailing reports and notices to stockholders, etc.; cash overages and shortages and fees for filing annual reports and other documents not specifically related to certificates or applications for issuance of securities.

(b) This account shall also include contributions for charitable, social or community welfare purposes which have a direct relation to the protection of the property of carrier property, development of its business, or welfare of its employees. (See account 7500, Other Deductions.)

NOTE: Direct contributions to employees' welfare association shall be included in account 4652, Employees' Welfare Expenses.

4660 Management and supervision fees and expenses.

(a) This account shall include fees and expenses payable to any corporation, firm or individual, other than officers and employees of the carrier, for continuously rendered supervision and management.

(b) This account shall be subdivided to reflect:

(1) Management and supervision fees and expenses of associated companies.

(2) Management and supervision fees and expenses of other companies.

(c) Records supporting this account shall be kept so as to show (1) the basis of the fees. i.e., the gross or net earnings of the carrier, if such is the basis, (2) the percentage applied in determining the fee, (3) the amount of the fee, and (4) the amount of the expenses.

4671 Franchise requirements-Debit.

(a) This account shall include the total cost to the carrier in connection with payments to governmental authorities in compliance with franchises, ordinances or similar requirements, except taxes and license fees, provided, however, that the carrier may charge this account with the amounts based on regular tariff rates of intrastate transportation furnished without charge under provisions of franchises.

(b) When no direct outlay is involved concurrent credit for such charges shall be to account 4672, Franchise Requirements-Credit.

4672 Franchise requirements-Credit.

This account shall include concurrent credits for charges which are made to account 4671, Franchise Requirements-Debit, to the extent that such charges do not represent direct outlays.

4673 Other regulatory commission expenses.

(a) This account shall include expenses incurred by the carrier in connection with formal cases before Federal or State regulatory bodies or cases in which such a body is a party; also include payments made to a regulatory commission for fees or amounts assessed against the accounting carrier for pay and expenses of the regulatory commission, its officers, agents and employees, other than those incurred in securing certificates of convenience and necessity and authority for the issuance of securities.

(b) Amounts includable in this account which by approval or direction of the Commission are to be spread over future periods shall be charged to account 1890, Other Deferred Debits, and amortized by charges to this account.

ITEMS

Fees, retainers, and expenses of counsel, solicitors, attorneys, clerks, attendants, witnesses, and others whose services are secured for the defense or prosecution of petitions or complaints presented to regulatory bodies.

The pay of officers and employees specifically assigned to or engaged in the valuation of property owned or used by the carrier, in connection with such cases, and the cost of similar work performed by others.

Amounts assessed by Federal and State regulatory commissions for pay and expenses of their officers, agents, and employees; office and traveling expenses, stationery, printing and engineering supplies; and other expenses and supplies including expenses of officers and employees upon matters covered by this account even though no portion of their pay is assignable hereto.

NOTE A: Expenses incurred for the improvement of service, for additional inspection, or rendering reports which are made necessary by the rules and regulations, or orders, of regulatory bodies, shall be charged to the appropriate operation and maintenance expense accounts.

NOTE B: Expenses incident to securing certificates of convenience and necessity shall be charged to the appropriate subdivision of account 1500, Organization, Franchises and Permits. Expenditures incident to securing authorization for issuance of long-term debt or capital stock shall be charged to account 1880, Unamortized Debt Discount and Expense, account 2400, Unamortized Premium on Debt, or account 1910, Commission and Expense on Capital Stock, as appropriate.

4680 Uncollectible revenues.

(a) This account shall include charges for receivables for carrier operating revenues which, after a reasonably diligent effort to collect, have proved impracticable of collection. If accounts which have been so written off are afterwards collected, the amount received shall be credited to this account; Provided, however, That such recoveries are from accounts charged off against this account.

(b) Charges to this account may be made on the basis of the estimated average loss due to uncollectible accounts in which case the concurrent credit shall be to account 2650, Reserve for Uncollectible Accounts. To the reserve thus established shall be charged such amounts as are determined to be uncollectible; amounts written off and subsequently collected shall be credited

to the reserve. When charges to such accounts are thus made by estimate, the estimate shall be adjusted at the end of each calendar year to conform to the experience of the accounting carrier as determined by analysis of its accounts receivable.

NOTE: Losses on receivables for other than operating revenues, and losses on notes or claims, shall be included in account 7500, Other Deductions.

4691 Joint operating expense-Debit.

This account shall include amounts payable to others representing the cost of operation and maintenance of joint facilities used for general purposes, such as a general office, or where amounts payable cannot be segregated between the functional groups of expense accounts provided in this part.

4696 Joint operating expense-Credit.

This account shall include amounts received by the accounting carrier as reimbursement for operating and maintaining costs incurred by it in connection with a joint facility used for general purposes such as general office, or when the amounts received cannot be segregated between the functional groups of expense accounts provided in this part.

DEPRECIATION EXPENSE

5000 Depreciation expense.

(a) This account shall include the amount of depreciation charges applicable to the accounting period for all classes of depreciable carrier operating property, including improvements to leased property, if any. The amounts charged to this account shall be concurrently credited to account 2500, Reserve for Depreciation-Carrier Operating Property.

(b) The following subdivisions of this account shall be maintained to reflect the amount of depreciation charges on each class of property and the necessary depreciation adjustment on carrier operating property at the time it is retired from service:

- 5011 Depreciation of Structures.**
- 5021 Depreciation of Revenue Equipment.**
- 5031 Depreciation of Service Cars and Equipment.**
- 5041 Depreciation of Shop and Garage Equipment.**
- 5051 Depreciation of Furniture and Office Equipment.**
- 5061 Depreciation of Miscellaneous Equipment.**
- 5071 Depreciation of Improvements to Leasehold Property.**
- 5081 Depreciation of Undistributed Property.**
- 5091 Depreciation of Adjustment.**

AMORTIZATION EXPENSE

5100 Amortization of carrier operating property.

This account shall include the amount of the amortization charges applicable to the accounting period for amounts carried in account 1501, Organization, account 1511, Franchises, and account 1541, Patents, for fixed-term franchises, licenses, and patent rights; and for fixed-term interest in land and land rights carried in account 1201-Land and Land Rights. Such charges shall be computed so as to distribute the book cost of each item evenly throughout its service life to the carrier. (See also account 2600, Reserve for Amortization-Carrier Operating Property.)

TAXES AND LICENSES

5200 Operating taxes and licenses.

(a) This account shall include the amount of Federal, State, County, Municipal and other taxing district taxes, which relate to motor carrier operations and property used therein (except taxes provided for in account 8000, Income Taxes on Ordinary Income).

(b) This account shall be charged each month (or 4-week period) with the amount of taxes applicable thereto, with concurrent credits to account 2120, Taxes Accrued, or account 1170, Prepayments, as appropriate. When it is not possible to determine the actual taxes, they shall be estimated and the applicable portion of the total tax included in this account each month (or 4-week period). Taxes included in this account on an estimated basis shall be adjusted when the actual levies become known. Taxes on gasoline, other motor fuel and lubricating oil shall be included in this account on the basis of actual consumption.

(c) The records shall be kept so as to show separately for each of the following subdivisions the amount of each class of tax included in this account and the basis on which it is levied, segregated between the amounts levied by the Federal government, and by State, Municipal, and other taxing authorities.

5210 Gasoline, other fuel and oil taxes.

Include in this account all taxes levied by Federal, State, or other governmental bodies on motor fuel and motor oil consumed during the current accounting period.

5220 Vehicle license and registration fees.

Include in this account the cost of all fees assessed for the privilege of operating vehicles over the highways, such as registration fees, license plate fees, mileage taxes, seat taxes, seat-mile taxes, gross weight taxes, ton-mile taxes, port of entry fees, permits for overload and oversize, Federal use tax, certificates of title fees, vehicle qualification fees and similar items.

5230 Real estate and personal property taxes.

Include in this account the amount of taxes based on the value of real estate and personal property.

5240 Social security taxes.

Include in this account the amount of social security, unemployment, and oldage benefit taxes payable to the Federal and State governments.

5250 Other taxes.

Include in this account all other operating taxes not specifically provided for in accounts 5210 to 5240, inclusive.

ITEMS

Capital stock taxes.

City licenses and permits.

Corporation taxes assessed for privilege of doing business as a corporation.

Gross receipts taxes not otherwise provided for.

Occupancy taxes.

Sales taxes paid by carrier as vendor.

Stock transfer taxes.

Telephone, telegraph, and other communication taxes.

Tires and tubes, taxes on purchase or rental of, and all other taxes, licenses or fees not otherwise provided for.

NOTE A: Taxes on property leased from others for use in motor carrier operations, when the lessee is obligated under the terms of the lease to pay such taxes in addition to stipulated rent, shall be included in this account.

NOTE B: All other sales or excise taxes not provided for in this account shall be included in the account charged with the cost of the material or services.

NOTE C: Amounts received by the carrier in reimbursement of taxes on property operated as a joint facility shall be credited to account 5390, Joint Facility Rents; Credit. Payments to other carriers for a portion of taxes on joint facilities shall be charged to account 5340, Joint Facility Rents; Debit.

NOTE D: The following taxes and fees shall not be charged to this account:

1. Fees for filing annual reports and other documents not specifically related to certificates or applications for issuance of securities shall be charged to account 4656, Other General Expenses.

2. Special assessments for street or other improvements and fees or charges, sometimes called taxes, such as water taxes, street sprinkling and sidewalk repairs, which are payments for some specific services rendered by municipal or other taxing bodies, shall be charged to the appropriate property investment

or maintenance accounts. (See note B, account 1201, Land and Land Rights.)

3. Taxes on property, the investment in which is included in account 1400, Non-carrier operating property, and account 1450, Non-operating property, shall be charged to account 6000, Net Income from Non-carrier Operations, or account 6100, Net Income from Non-operating Property, as appropriate.

4. Taxes on property leased to others shall be charged to the account to which the rent revenue is credited.

5. Taxes assumed by the carrier on bond and note interest shall be charged to account 7200, Taxes Assumed on Interest.

6. Taxes paid on original issues of capital stock shall be included in account 1910, Commission and Expense on Capital Stock.

7. The cost of State identification plates, for which a small charge is made to cover cost of manufacture, shall be included in account 4264, Other Transportation Expenses, or account 4360, Collection and Delivery, as appropriate.

OPERATING RENTS

5300 Operating rents-Net.

This account shall include the net total of amounts included in accounts 5310 to 5390, inclusive.

5310 Equipment rents-Debit.

This account shall include the amounts payable for use of automotive equipment on whatever basis such rent may be determined. All expenses incurred in connection with the operation of leased equipment which the lessee is obligated to assume in addition to the amount stipulated as rent, shall be included in the operation and maintenance or other accounts as appropriate.

NOTE: Amounts payable for rental of equipment included in the lease of a distinct operating unit shall be charged to account 5400, Rent for Lease of Carrier Property-Debit.

5320 Other operating rents-Debit.

This account shall include all rental payments for the use of property employed in motor carrier operations not provided for elsewhere, such as:

(a) Rent for shop and garage space.

(b) Rents paid for use of property by the transportation department.

(c) Rents paid for use of terminals and stations.

(d) Rents paid for use of property by the traffic and solicitation department.

(e) Rents paid for use of the general office.

NOTE: Rental payments for property not used in transportation

operations shall be charged to the appropriate other income account.

5340 Joint facility rents-Debit.

This account shall include amounts payable to other carriers as their proportion of rent, including taxes and depreciation, for the use of property under a joint facility arrangement.

5350 Equipment rents-Credit.

This account shall include amounts receivable for use of automotive equipment on whatever basis such rent may be determined.

NOTE: Amounts receivable for rental of equipment included in the lease of a distinct operating unit shall be credited to account 5500, Income from Lease of Carrier Property-Credit.

5360 Rent from owned land and structures.

This account shall include the rent from land and structures, the cost of which is included in accounts 1200, Carrier Operating Property, and 1300, Carrier Operating Property Leased to Others, except joint facilities.

NOTE: Rent from subleases of property rented from others shall be included in account 5370, Sublease Rental Income.

5370 Sublease rental income.

This account shall include rents receivable from subleases of carrier operating property rented from others.

5390 Joint facility rents-Credit.

This account shall include amounts receivable from other carriers as their proportion of rent, including taxes and depreciation, for the use of property under a joint facility arrangement.

LEASE OF CARRIER PROPERTY

5400 Rent for lease of carrier property-Debit.

This account shall include amounts payable, for rent of property constituting a distinct operating unit or system leased from others for use in motor carrier operations when the carrier has exclusive possession.

NOTE: Taxes payable upon leased property, assumed by the lessee, shall be included in account 5200, Operating Taxes and Licenses.

5500 Income from lease of carrier property-Credit.

(a) This account shall include amounts receivable for rent of property constituting a distinct operating unit or system leased by the carrier to others for motor carrier operations where the lessee has exclusive possession.

(b) This account shall include as a deduction from rent revenue, expenses such as repairs, depreciation, insurance, and taxes assumed by the lessor; uncollectible rents, etc., in connection with the property leased.

(c) This account shall be divided to show separately for each lease the following:

- (1) Rent revenue.
- (2) Expenses.
- (3) Depreciation and amortization.
- (4) Taxes.
- (5) Uncollectible rents.

OTHER INCOME

6000 Net income from non-carrier operations.

(a) This account shall include the revenues from and expenses incurred in the operation of property, the investment in which is carried in account 1400, Non-Carrier Operating Property.

(b) This account shall be subdivided to reflect:

- (1) The total revenues derived from non-carrier operating property operations.
- (2) The total expenses incurred in non-carrier operating property operations.

NOTE A: The expenses referred to include every element of cost incurred in such operations including depreciation, rents, taxes and insurance.

NOTE B: Each carrier may adopt its own classification of revenue and expenses for this account. The classification shall be such, however, as to permit ready analysis of the revenue and expense.

6100 Net income from non-operating property.

(a) This account shall include all rent revenues from land, buildings, and other property not devoted to transportation of operations, the book cost of which is included in account 1450, Non-Operating Property.

(b) This account shall include as a deduction from rent revenue, expenses such as repairs, depreciation, amortization, taxes, uncollectible rents, insurance, etc., in connection with the property leased.

(c) This account shall be subdivided to show separately for each lease the following:

- (1) Rent revenue.
- (2) Expenses.
- (3) Depreciation and amortization.
- (4) Taxes.
- (5) Uncollectible rents.

6200 Interest income.

(a) This account shall include interest accruing to the accounting carrier upon securities of other companies and Federal, State, or municipal governments, on loans, notes and

advances; special deposits and all other interest bearing assets, including simple interest charged to property during its construction. Interest accrued shall not be credited to this account unless its payment is reasonably assured; in other cases, credits to this account shall be based upon the interest actually collected.

(b) This account shall be kept so as to show separately the interest income from each investment and from each associated company.

NOTE A: No interest upon reacquired securities issued or assumed by the accounting carrier shall be credited to this account.

NOTE B: Interest accrued on securities of other companies held in sinking or other special funds shall be credited to account 6400, Income from Sinking and Other Funds.

6300 Dividend income.

(a) This account shall include revenue derived by the accounting carrier from the dividends on stocks of other companies held by it. Accruals of guaranteed dividends may be included in this account if the payment is reasonably assured.

(b) This account shall be kept so as to show separately the dividend income from each investment and from each associated company.

NOTE: No dividends on reacquired securities issued by the carrier shall be credited to this account.

6400 Income from sinking and other funds.

This account shall include all revenue (whether interest or dividends) accrued on cash, securities (not issued or assumed by the accounting carrier) or other assets held in sinking fund and other special funds.

NOTE: This account covers all income from investments of special funds, whether required to be retained in the fund or not. If such income is required to be retained in the fund and the fund required to be represented by a reserve, the amount of such accretions to the fund shall be concurrently credited to the appropriate reserve account and charged to account 2944, Appropriations to Reserves.

6500 Other non-operating income.

This account shall include all income accrued to the accounting carrier in accordance with the terms of any contract by which the carrier is entitled to participate in the profits from the operations of others and all other non-operating income not provided for in any of the foregoing accounts.

This account shall also include the current unrealized gain on the marketable equity securities in accounting 1060, only to the extent the gain is represented by a decrease in the valuation allowance.

NOTE A: "Profits from the operations of others" does not include any dividends on stock. Revenues from dividends shall be credited to account 6300, Dividend Income, or to account 6400, Income from Sinking and Other Funds, as appropriate.

NOTE B: Gains from extinguishment of debt shall be aggregated and, if material, credited to account 9010, Extraordinary items, upon approval by the Commission.

6600 Unusual or infrequent items (credit).

Included in this account shall be material items unusual in nature or infrequent in occurrence, but not both, accounted for in the current year upon approval by the Commission.

INCOME DEDUCTIONS

7000 Interest on long-term obligations.

(a) This account shall include all interest accrued on unmatured outstanding long-term obligations issued or assumed by the accounting carrier; also interest accrued on debentures and on receivers' certificates which mature more than 1 year after date of issue. This account does not include interest on securities held by the accounting carrier in its treasury, in sinking or other special funds, or pledged as collateral.

(b) This account shall be kept so as to show the interest expense (accrual) on each of the following classes or subdivisions of long-term obligations:

- (1) Equipment obligations.
- (2) Advances.
- (3) Bonds.
- (4) Other long-term obligations.

7100 Other interest deductions.

This account shall include interest on all short-term obligations of the accounting carrier, such as notes or loans for terms of less than 1 year, unpaid taxes, or other accounts payable, etc., and also interest on matured long-term obligations.

7200 Taxes assumed on interest.

This account shall include amounts paid to holders of the bonds or other indebtedness of the carrier in reimbursement of income and other taxes levied against income from such obligation or levied as a tax for ownership of the obligation, where the mortgage, indenture, or other instrument provides for payment of such taxes by the carrier.

7300 Amortization of debt discount and expense.

This account shall include for any period that proportion of the unamortized discount and expense on outstanding long-term debt which is applicable to the period. This proportion shall be determined according to a rule, the uniform application of which

during the interval between the issue and maturity of any debt will completely amortize the discount at which such debt was issued and the debt expense connected therewith. Debt expense and debt discount charged to this account shall be concurrently credited to account 1890, "Other Deferred Debits," and 2370, "Unamortized Discount on Debt," respectively.

7400 Amortization of premium on debt-Credit.

This account shall include the proportion of the premium at which outstanding long-term debt was issued which is applicable to each period. This proportion shall be determined according to a rule the uniform application of which during the interval between the issuance and the maturity of any debt will completely amortize the premium at which such debt was issued. Amounts credited to this account shall be concurrently charged to account 2380, "Unamortized Premium on Debt."

7500 Other deductions.

This account shall include all deductions from gross income not provided for in any of the foregoing accounts such as:

(a) Unsecured accruals on obligations arising under contracts whereby the accounting carrier has guaranteed the annual or more frequent periodic payment of money or performance of other obligation on the part of another corporation or person, and be cause of the default of such other corporation or person, the liability of the accounting carrier has become actual.

(b) Losses resulting from the operations of others, whenever, in accordance with the terms of any contract, the accounting carrier is bound to contribute toward reimbursement of such losses.

(c) Losses on receivables, notes or claims, which are not includible in account 4680, Uncollectible Revenue.

(d) Amortization charges of the book value of property included in account 1550, Other Intangible Property, and other items carried among its assets.

(e) Contributions for charitable, social, or community welfare purposes which do not have a direct relation to the protection of carrier property, development of its business or welfare of its employees. (See account 4656, Other General Expenses.)

(f) Penalties and fines for violations of law not provided for in account 4264, Other Transportation Expenses.

(g) Premiums for life insurance carried on the lives of officers and employees when the carrier is the beneficiary.

(h) Losses resulting from extinguishment of debt shall be aggregated and, if material, charged to account 9010, Extraordinary items, upon approval by the Commission.

(i) Unrealized losses on the marketable equity securities in account 1060 to the extent these losses are represented by an increase in the valuation allowance.

7600 Unusual or infrequent items (debit).

Included in this account shall be material items unusual in nature or infrequent in occurrence, but not both, accounted for in the current year.

INCOME TAXES

8000 Income taxes on income from continuing operations.

(a) (1) This account shall be debited with the monthly accruals for all income taxes which are estimated to be payable and which are applicable to ordinary income.

(2) Details pertaining to the tax consequences of other unusual and significant items and also cases where the tax consequences are disproportionate to the related amounts included in income accounts, shall be submitted to the Commission for consideration and decision as to proper accounting.

(b) This account shall be subdivided as follows: 8010 Federal Income Taxes, 8020 State Income Taxes, and 8030 Other Income Taxes.

NOTE: Personal income taxes of sole proprietors and members of a partnership shall not be charged to this account; if paid from funds of the business, the amounts thereof shall be charged to account 2800, Sole Proprietorship Capital, or account 2810, Partnership Capital, as appropriate.

**INCOME STATEMENT
SCHEDULE 2**

3000 Operating Revenues		
3210	Charter Bus Revenue	
3200	Passenger Revenue	
3220-3500	Baggage-Mail-Express-Newspapers	
3600	Misc. Station Revenue	
3700	Operating Revenue--Transfers from Governmental Authorities	
3800	Operating Revenue--Amortization of Deferred Transfers from Governmental Authorities	
3900	Other Operating Revenue	
	Total	\$
4000 Operating Expenses		
4100	Equipment Maintenance and Garage Expense	\$
4200	Transportation Expense	
4300	Station Expense	
4400	Traffic Solicitation and Advertising Expense	
4500	Insurance and Safety Expense	
4600	Administrative and General Expense	
5000	Depreciation and Amortization Expense	
5200	Operating Taxes and Licenses Expense	
5300	Operating Rents Expense	
	Total Operating Expense	
	Net Operating Income (total revenue less total operating expenses)	\$

Other Income and Expense		
6000	Other Income	\$
7500	Other Deductions	
	Net Income Before Taxes	
8000	Income Taxes	
	Net Income or Loss	