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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047

2010

Open to Public Inspection

A For the 2010 calendar year, or tax year beginning 01-01-2010 and ending 12-31-2010

B Check if applicable
- Address change
- Name change
- Initial return
- Terminated
- Amended return
- Application pending

C Name of organization
ASSOCIATION OF AMERICAN RAILROADS

Doing Business As

Number and street (or P O box if mail is not delivered to street address) 425 THIRD STREET SW NO 1000 | Room/suite

City or town, state or country, and ZIP + 4
WASHINGTON, DC 20024

D Employer identification number
53-6000125

E Telephone number
(202) 639-2114

G Gross receipts $ 66,653,618

F Name and address of principal officer
EDWARD HAMBERGER
425 THIRD STREET SW NO 1000
WASHINGTON,DC 20024

H(a) Is this a group return for affiliates? ☐ Yes ☑ No

H(b) Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status ☐ 501(c)(3) ☑ 501(c) (6) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ WWW AAR ORG

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶ | **L** Year of formation 1934 | **M** State of legal domicile DC

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities
AAR PROMOTES A SAFE AND EFFICIENT NORTH AMERICAN RAIL SYSTEM WITH PRINCIPAL ACTIVITIES IN AREAS SUCH AS STANDARDS, OPERATIONS, SAFETY, SECURITY, PUBLIC AFFAIRS AND PUBLIC POLICY

2 Check this box ▶☐ if the organization discontinued its operations or disposed of more than 25% of its net assets

3	Number of voting members of the governing body (Part VI, line 1a)	3	10
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	9
5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	5	73
6	Total number of volunteers (estimate if necessary)	6	0
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	69,494
b	Net unrelated business taxable income from Form 990-T, line 34	7b	8,159

			Prior Year	Current Year
Revenue	8	Contributions and grants (Part VIII, line 1h)	0	0
	9	Program service revenue (Part VIII, line 2g)	57,881,149	52,493,982
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-2,708,117	1,038,074
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	7,891,275	9,129,086
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	63,064,307	62,661,142
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	820,489	8,608,654
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	17,600,813	17,010,347
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	53,412,411	35,146,478
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	71,833,713	60,765,479
	19	Revenue less expenses Subtract line 18 from line 12	-8,769,406	1,895,663

			Beginning of Current Year	End of Year
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	29,935,399	32,102,719
	21	Total liabilities (Part X, line 26)	39,262,258	40,554,000
	22	Net assets or fund balances Subtract line 21 from line 20	-9,326,859	-8,451,281

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

****** | 2011-11-14
Signature of officer | Date

JEFFREY D MARSH VICE PRESIDENT & CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name WILLIAM E TURCO CPA	Preparer's signature WILLIAM E TURCO CPA	Date	Check if self-employed ▶ ☐	PTIN
Firm's name ▶ RSM MCGLADREY INC				Firm's EIN ▶
Firm's address ▶ 9737 WASHINGTONIAN BLVD 400 GAITHERSBURG, MD 208787340				Phone no ▶ (301) 296-3600

May the IRS discuss this return with the preparer shown above? (see instructions) ☑ Yes ☐ No

Part III **Statement of Program Service Accomplishments**

Check if Schedule O contains a response to any question in this Part III . . . . ☐

1 Briefly describe the organization's mission

TO PROMOTE THE COMMON INTERESTS OF RAILROADS

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . ☐ **Yes** ☑ **No**

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . ☐ **Yes** ☑ **No**

If "Yes," describe these changes on Schedule O

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses $ including grants of $) (Revenue $)

STRATEGIC RESEARCH INITIATIVES (SRI)SRI PRIORITIES ARE SHARPLY FOCUSED ON CURRENT AND FUTURE FREIGHT RAILROAD INDUSTRY ISSUES ASSOCIATED WITH SAFETY, EFFICIENCY, AND RELIABILITY THE RESEARCH PRIORITIES ARE EXPECTED TO CONTRIBUTE SIGNIFICANTLY TO INDUSTRY OBJECTIVES IN THE AREA OF OPERATING HEAVIER AXLE LOADS, AND, IN PARTICULAR, THE EFFECTS ON FREIGHT CARS, TRACK, AND THEIR INTERACTION IN THE PAST FEW YEARS, THE SRI PROGRAM HAS MOVED DEEPER INTO THE INNOVATION PROCESS IN THE AREAS OF CARS, TRACK, AND VEHICLE/TRACK INTERACTION THE PROGRAM CONTINUED TO BE INVOLVED IN PRODUCT AND PROCESS DEVELOPMENT AND IMPLEMENTATION

4b (Code) (Expenses $ including grants of $) (Revenue $)

INTEGRATED COMMUNICATIONS CAMPAIGNA PROGRAM OF MEDIA OUTREACH, ADVERTISING AND ELECTRONIC MAILINGS THAT FOCUSES ON (1) HOW THE FREIGHT RAIL INDUSTRY CONSISTENTLY AND EFFICIENTLY DELIVERS ECONOMIC AND ENVIRONMENTAL BENEFITS TO AMERICANS, (2) HOW RAILROADS USE MODERN TECHNOLOGY TO IMPROVE SAFETY AND PROVIDE PUBLIC BENEFITS INCLUDING A SAFE, FUEL EFFICIENT WAY TO MOVE GOODS AND CONNECT US TO THE GLOBAL ECONOMY, AND (3) PRESERVING BALANCED REGULATION OF THE FREIGHT RAIL INDUSTRY

4c (Code) (Expenses $ including grants of $) (Revenue $)

ECONOMIC REGULATIONA PROGRAM TO PROMOTE THE CONTINUED NEED OF THE RAIL INDUSTRY TO OPERATE UNDER A BALANCED REGULATORY STRUCTURE WHICH ALLOWS RAILROADS THE OPPORTUNITY TO ACHIEVE REVENUES FOR REINVESTMENT SUCH REINVESTMENT IS CRITICAL IF RAILROADS ARE TO BE ABLE TO ADDRESS THE CAPACITY CHALLENGES THAT INCREASED RAIL DEMAND FOR TRANSPORTATION BRINGS

4d Other program services (Describe in Schedule O)

(Expenses $ including grants of $) (Revenue $)

4e **Total program service expenses**▶$

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1		No
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)?	2		No
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4		
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5	Yes	
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9	Yes	
10	Did the organization, directly or through a related organization, hold assets in term, permanent,or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		No
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.*	11b	Yes	
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII.*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.*	11d	Yes	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X.*	11f	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the United States? *If "Yes," complete Schedule F, Parts I and IV*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the U S ? *If "Yes," complete Schedule F, Parts II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the U S ? *If "Yes," complete Schedule F, Parts III and IV*	16		No
17	Did the organization report a total of more than $15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20a		No
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? **Note.** Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)	20b		

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21	Yes	
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b–24d and complete Schedule K. If "No," go to line 25*	24a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	33		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	34	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)?	35	Yes	
a	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2* ☐ **Yes** ☑ **No**			
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	38	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V . . . . ☐

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	1a	72		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c	Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	2a	73		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?		2b	Yes	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?		3a	Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*		3b	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		4a	Yes	
b	If "Yes," enter the name of the foreign country ▶UK See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		5a		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?		6a		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b		
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?		7a		
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c		
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		7e		
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f		
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		8		
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?		9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		9b		
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?		12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O		13a		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?		14a		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*		14b		

Part VI **Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI . . . . ☑

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a 10			
b	Enter the number of voting members included in line 1a, above, who are independent	1b 9			
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		5		No
6	Does the organization have members or stockholders?		6	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		7a		No
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?		8a	Yes	
b	Each committee with authority to act on behalf of the governing body?		8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		9		No

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

			Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a		No
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b		
11a	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11a	Yes	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990			
12a	Does the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	Yes	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	12c	Yes	
13	Does the organization have a written whistleblower policy?	13	Yes	
14	Does the organization have a written document retention and destruction policy?	14	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	Yes	
b	Other officers or key employees of the organization	15b	Yes	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (See instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		No
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed ▶

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you make these available Check all that apply

☐ Own website ☐ Another's website ☑ Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public See Additional Data Table

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶

JEFFREY MARSH CFO
425 THIRD STREET SW NO 1000
WASHINGTON, DC 20024
(202) 639-2118

Part VII **Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response to any question in this Part VII . . . . ☐

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees, if any See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										

Part VII **Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** (continued)

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply): Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
See Additional Data Table										

1b	**Sub-Total** . . . . ▶			
c	**Total from continuation sheets to Part VII, Section A** . . . . ▶			
d	**Total (add lines 1b and 1c)** . . . . ▶	7,381,607	0	804,427

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 in reportable compensation from the organization ▶38

			Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	**3**		No
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	**4**	Yes	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*	**5**		No

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization

(A) Name and business address	(B) Description of services	(C) Compensation
TRANSPORTATION TECHNOLOGY CENTER INC 55500 DOT ROAD PUEBLO, CO 81001	TESTING & RESEARCH	13,351,200
GIBSON DUNN & CRUTCHER LLP 1050 CONNECTICUT AV NW WASHINGTON, DC 20036	LEGAL CONSULTING	467,552
BREAUX LOTT LEADERSHIP GROUP LLC 2550 M ST NW WASHINGTON, DC 20037	LEGISLATIVE CONSULTANTS	440,000
CLEARY GOTTLIEB STEEN & HAMILTON LLP 2000 PENNSYLVANIA AV NW WASHINGTON, DC 20006	LEGAL CONSULTING	397,141
ANSALDO STS USA INC 645 RUSSELL ST BATESBURG, SC 29006	TESTING & RESEARCH	325,000

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶28

Part VIII Statement of Revenue

Section	Line	Description			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns . .	1a					
	b	Membership dues	1b					
	c	Fundraising events	1c					
	d	Related organizations . . .	1d					
	e	Government grants (contributions)	1e					
	f	All other contributions, gifts, grants, and similar amounts not included above	1f					
	g	Noncash contributions included in lines 1a-1f $						
	h	**Total.** Add lines 1a-1f . . . . ▶						
Program Service Revenue				Business Code				
	2a	MEMBERSHIP DUES		900099	47,139,564	47,139,564		
	b	USER FEES		900099	3,242,524	3,242,524		
	c	INDUSTRY SUPPORT		900099	1,959,823	1,959,823		
	d	PUBLICATIONS		900099	115,633	115,633		
	e	MEETINGS & CONFERENCES		812900	31,917	31,917		
	f	All other program service revenue			4,521	4,521		
	g	**Total.** Add lines 2a–2f . . . . ▶			52,493,982			
Other Revenue	3	Investment income (including dividends, interest and other similar amounts) . . . . . ▶			179,420			179,420
	4	Income from investment of tax-exempt bond proceeds . . ▶						
	5	Royalties . . . . ▶			750,000			750,000
			(i) Real	(ii) Personal				
	6a	Gross Rents	5,760,958					
	b	Less rental expenses	223,443					
	c	Rental income or (loss)	5,537,515					
	d	Net rental income or (loss) . . . . ▶			5,537,515			5,537,515
			(i) Securities	(ii) Other				
	7a	Gross amount from sales of assets other than inventory	4,627,687					
	b	Less cost or other basis and sales expenses	3,769,033					
	c	Gain or (loss)	858,654					
	d	Net gain or (loss) . . . . ▶			858,654			858,654
	8a	Gross income from fundraising events (not including $ ______ of contributions reported on line 1c) See Part IV, line 18 . . .	a					
	b	Less direct expenses . . .	b					
	c	Net income or (loss) from fundraising events . . ▶						
	9a	Gross income from gaming activities See Part IV, line 19 .	a					
	b	Less direct expenses	b					
	c	Net income or (loss) from gaming activities . . ▶						
	10a	Gross sales of inventory, less returns and allowances .	a					
	b	Less cost of goods sold . .	b					
	c	Net income or (loss) from sales of inventory . . ▶						
		Miscellaneous Revenue		Business Code				
	11a	INTERCO COST SHARE		900099	2,043,574	1,991,003	52,571	
	b	OTHER REVENUE		900099	494,385	494,385		
	c	ERIP/RET COST REIM		900099	286,689	286,689		
	d	All other revenue			16,923		16,923	
	e	**Total.** Add lines 11a–11d . . . . . . ▶			2,841,571			
	12	**Total revenue.** See Instructions . . . ▶			62,661,142	55,266,059	69,494	7,325,589

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	**(A)** Total expenses	**(B)** Program service expenses	**(C)** Management and general expenses	**(D)** Fundraising expenses
1 Grants and other assistance to governments and organizations in the U S See Part IV, line 21	8,608,654			
2 Grants and other assistance to individuals in the U S See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	5,792,334			
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	7,820,111			
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	1,092,970			
9 Other employee benefits	1,073,321			
10 Payroll taxes	1,231,611			
a Fees for services (non-employees) Management				
b Legal	1,806,886			
c Accounting	285,822			
d Lobbying	2,137,491			
e Professional fundraising services *See Part IV, line 17* . .				
f Investment management fees				
g Other	4,021,737			
12 Advertising and promotion	3,813,146			
13 Office expenses	2,452,965			
14 Information technology	169,596			
15 Royalties . .				
16 Occupancy	4,986,894			
17 Travel	885,807			
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	3,736			
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	558,098			
23 Insurance	243,909			
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a INTERCOMPANY EXPENSES	13,351,237			
b OTHER EXPENSES	252,072			
c BAD DEBT	177,082			
d				
e				
f All other expenses				
25 **Total functional expenses.** Add lines 1 through 24f	60,765,479			
26 **Joint costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		2,120,717	1	4,837,546
	2	Savings and temporary cash investments		5,177,510	2	2,732,537
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		1,728,315	4	1,218,927
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers, and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use			8	
	9	Prepaid expenses and deferred charges		452,425	9	436,232
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 26,109,399			
	b	Less accumulated depreciation	10b 22,513,997	3,429,697	10c	3,595,402
	11	Investments—publicly traded securities			11	1,952,102
	12	Investments—other securities See Part IV, line 11		8,970,899	12	8,970,899
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		8,055,836	15	8,359,074
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		29,935,399	16	32,102,719
Liabilities	17	Accounts payable and accrued expenses		7,965,614	17	10,807,547
	18	Grants payable			18	
	19	Deferred revenue		905,419	19	984,399
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*		699,041	21	836,378
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities Complete Part X of Schedule D		29,692,184	25	27,925,676
	26	**Total liabilities.** Add lines 17 through 25		39,262,258	26	40,554,000
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		-9,326,859	27	-8,451,281
	28	Temporarily restricted net assets			28	
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		-9,326,859	33	-8,451,281
	34	Total liabilities and net assets/fund balances		29,935,399	34	32,102,719

Part XI Reconcilliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI . . . . ☑

1	Total revenue (must equal Part VIII, column (A), line 12) . . .	1	62,661,142
2	Total expenses (must equal Part IX, column (A), line 25)	2	60,765,479
3	Revenue less expenses Subtract line 2 from line 1	3	1,895,663
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	-9,326,859
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-1,020,085
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	-8,451,281

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII . . . . ☑

			Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☑ Accrual ☐ Other ______ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O			
2a	Were the organization’s financial statements compiled or reviewed by an independent accountant? . .	2a		No
b	Were the organization’s financial statements audited by an independent accountant?	2b	Yes	
c	If “Yes,” to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	2c	Yes	
d	If “Yes” to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both ☐ Separate basis ☑ Consolidated basis ☐ Both consolidated and separated basis			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		No
b	If “Yes,” did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits . .	3b		

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ **Complete if the organization is described below.**
▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No 1545-0047

2010

Open to Public Inspection

If the organization answered "Yes," to Form 990, Part IV, Line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations Complete Parts I-A and B Do not complete Part I-C
- Section 501(c) (other than section 501(c)(3)) organizations Complete Parts I-A and C below Do not complete Part I-B
- Section 527 organizations Complete Part I-A only

If the organization answered "Yes," to Form 990, Part IV, Line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)) Complete Part II-A Do not complete Part II-B
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B Do not complete Part II-A

If the organization answered "Yes," to Form 990, Part IV, Line 5 (Proxy Tax) or Form 990-EZ, Part V, line 35a (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations Complete Part III

Name of the organization	Employer identification number
ASSOCIATION OF AMERICAN RAILROADS	53-6000125

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV

2 Political expenditures ▶ $

3 Volunteer hours

Part I-B Complete if the organization is exempt under section 501(c)(3).

1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ $

2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ $

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ **Yes** ☐ **No**

4a Was a correction made? ☐ **Yes** ☐ **No**

b If "Yes," describe in Part IV

Part I-C Complete if the organization is exempt under section 501(c) except section 501(c)(3).

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ $

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt funtion activities ▶ $

3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ▶ $

4 Did the filing organization file **Form 1120-POL** for this year? ☐ **Yes** ☐ **No**

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

(a) Name	**(b)** Address	**(c)** EIN	**(d)** Amount paid from filing organization's funds If none, enter -0-	**(e)** Amount of political contributions received and promptly and directly delivered to a separate political organization If none, enter -0-

Part II-A **Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).**

A Check ☐ if the filing organization belongs to an affiliated group
B Check ☐ if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	**(a)** Filing Organization's Totals	**(b)** Affiliated Group Totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount Enter the amount from the following table in both columns		

If the amount on line 1e, column (a) or (b) is:	**The lobbying nontaxable amount is:**
Not over $500,000	20% of the amount on line 1e
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000
Over $17,000,000	$1,000,000

	(a)	**(b)**
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a If zero or less, enter -0-		
i Subtract line 1f from line 1c If zero or less, enter -0-		

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ **Yes** ☐ **No**

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	**(a)** 2007	**(b)** 2008	**(c)** 2009	**(d)** 2010	**(e)** Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B **Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).**

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?			
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?			
c	Media advertisements?			
d	Mailings to members, legislators, or the public?			
e	Publications, or published or broadcast statements?			
f	Grants to other organizations for lobbying purposes?			
g	Direct contact with legislators, their staffs, government officials, or a legislative body?			
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?			
i	Other activities? If "Yes," describe in Part IV			
j	Total lines 1c through 1i			
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?			
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A **Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).**

			Yes	No
1	Were substantially all (90% or more) dues received nondeductible by members?	1		No
2	Did the organization make only in-house lobbying expenditures of $2,000 or less?	2		No
3	Did the organization agree to carryover lobbying and political expenditures from the prior year?	3	Yes	

Part III-B **Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, lines 1 and 2 are answered "No" OR if Part III-A, line 3 is answered "Yes".**

1	Dues, assessments and similar amounts from members	1	47,139,564
2	Section 162(e) non-deductible lobbying and political expenditures **(do not include amounts of political expenses for which the section 527(f) tax was paid).**		
a	Current year	2a	8,581,934
b	Carryover from last year	2b	1,585,806
c	Total	2c	10,167,740
3	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	7,046,174
4	If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	3,121,566
5	Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV **Supplemental Information**

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, and Part II-B, line 1i Also, complete this part for any additional information

Identifier	Return Reference	Explanation

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

► Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.
► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
ASSOCIATION OF AMERICAN RAILROADS

Employer identification number
53-6000125

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.
Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit ☐ Yes ☐ No

Part II Conservation Easements.
Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply)

☐ Preservation of land for public use (e g , recreation or pleasure)
☐ Preservation of an historically importantly land area
☐ Protection of natural habitat
☐ Preservation of a certified historic structure
☐ Preservation of open space

2 Complete lines 2a–2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

			Held at the End of the Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ►________

4 Number of states where property subject to conservation easement is located ►________

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ►________

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ► $ ________

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.
Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 ► $ ________

(ii) Assets included in Form 990, Part X ► $ ________

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items

a Revenues included in Form 990, Part VIII, line 1 ► $ ________

b Assets included in Form 990, Part X ► $ ________

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

a ☐ Public exhibition

b ☐ Scholarly research

c ☐ Preservation for future generations

d ☐ Loan or exchange programs

e ☐ Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☑ No

b If "Yes," explain the arrangement in Part XIV and complete the following table

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☑ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a Beginning of year balance					
b Contributions					
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the year end balance held as

a Board designated or quasi-endowment ▶

b Permanent endowment ▶

c Term endowment ▶

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

		Yes	No
(i) unrelated organizations	3a(i)		
(ii) related organizations	3a(ii)		
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIV the intended uses of the organization's endowment funds

Part VI Investments—Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements		2,993,951	233,523	2,760,428
d Equipment		1,129,505	740,277	389,228
e Other		21,985,943	21,540,197	445,746
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				3,595,402

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	**(b)** Book value	**(c)** Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests	8,970,899	F
Other		
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)*	8,970,899	

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	**(b)** Book value	**(c)** Method of valuation Cost or end-of-year market value
Total. *(Column (b) should equal Form 990, Part X, col (B) line 13)*		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	**(b)** Book value
(1) CUSTODIAL FUNDS	836,378
(2) DEFERRED TAX ASSET	41,785
(3) INVESTMENTS RELATED TO SUPP EMPLOYEE BENEFIT PLANS	7,480,911
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)*	8,359,074

Part X Other Liabilities. See Form 990, Part X, line 25.

1 **(a)** Description of Liability	**(b)** Amount
Federal Income Taxes	
LIABILITY UNDER DEFERRED COMPENSATION	6,070,104
CURRENT PORTION-OPEB LIABILITY	201,168
OTHER POSTEMPLOYMENT BENEFITS	82,480
ACCRUED PENSION COST	14,139,963
SERP OBLIGATION	3,316,795
DEFERRED RENT PAYABLES	3,979,122
CAPITAL LEASE OBLIGATIONS	136,044
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)*	27,925,676

2. Fin 48 (ASC 740) Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC740)

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net) Add lines 4 - 8	9	
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b Also complete this part to provide any additional information

Identifier	Return Reference	Explanation
	PART IV, LINE 2B	CUSTODIAL FUNDS ARE CARRIED AS AN ASSET AND OFFSETTING LIABILITY IN THE ASSOCIATION'S BALANCE SHEET THE ASSOCIATION ACTS AS CUSTODIAN AND AGENT ON BEHALF OF CERTAIN RAILROAD INDUSTRY RELATED ORGANIZATIONS FOR WHICH THE ASSOCIATION PROVIDES BOOKKEEPING SERVICES
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X	THE ASSOCIATION IS EXEMPT FROM FEDERAL INCOME TAXES UNDER SECTION 501(C)(6) OF THE INTERNAL REVENUE CODE HOWEVER, THE ASSOCIATION IS SUBJECT TO FEDERAL INCOME TAXES FOR ACTIVITIES THAT ARE UNRELATED TO ITS TAX-EXEMPT FUNCTION TTCI AND RAILINC FILE SEPARATE FEDERAL AND STATE INCOME TAX RETURNS RRF IS EXEMPT FROM FEDERAL INCOME TAXES UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE, HOWEVER, THE FOUNDATION IS SUBJECT TO FEDERAL INCOME TAXES FOR ACTIVITIES THAT ARE UNRELATED TO ITS TAX-EXEMPT FUNCTION ACCORDINGLY, AMOUNTS REPORTED IN THE ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS REPRESENT THE COMBINED INCOME TAX ACCOUNTS OF THE ASSOCIATION, TTCI, RAILINC, AND RRF DEFERRED TAX ASSETS AND LIABILITIES ARE RECOGNIZED FOR THE FUTURE TAX CONSEQUENCES ATTRIBUTABLE TO DIFFERENCES BETWEEN THE FINANCIAL STATEMENT CARRYING AMOUNTS OF EXISTING ASSETS AND LIABILITIES AND THEIR RESPECTIVE TAX BASES AND OPERATING LOSS AND TAX CREDIT CARRYFORWARDS DEFERRED TAX ASSETS AND LIABILITIES ARE MEASURED USING ENACTED TAX RATES EXPECTED TO APPLY TO TAXABLE INCOME IN THE YEARS IN WHICH THOSE TEMPORARY DIFFERENCES ARE EXPECTED TO REVERSE IF APPROPRIATE, DEFERRED TAX ASSETS ARE REDUCED BY A VALUATION ALLOWANCE, WHICH REFLECTS EXPECTATIONS OF THE EXTENT TO WHICH SUCH ASSETS WILL BE REALIZED ON JANUARY 1, 2009, THE ASSOCIATION ADOPTED THE ACCOUNTING STANDARD ON ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES, WHICH ADDRESSES THE DETERMINATION OF WHETHER TAX BENEFITS CLAIMED OR EXPECTED TO BE CLAIMED ON A TAX RETURN SHOULD BE RECORDED IN THE FINANCIAL STATEMENTS UNDER THIS GUIDANCE, THE ASSOCIATION MAY RECOGNIZE THE TAX BENEFIT FROM AN UNCERTAIN TAX POSITION ONLY IF IT IS MORE-LIKELY-THAN-NOT THAT THE TAX POSITION WILL BE SUSTAINED ON EXAMINATION BY TAXING AUTHORITIES, BASED ON THE TECHNICAL MERITS OF THE POSITION THE TAX BENEFITS RECOGNIZED IN THE FINANCIAL STATEMENTS FROM SUCH A POSITION ARE MEASURED BASED ON THE LARGEST BENEFIT THAT HAS A GREATER THAN 50% LIKELIHOOD OF BEING REALIZED UPON ULTIMATE SETTLEMENT THE GUIDANCE ON ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES ALSO ADDRESSES DE-RECOGNITION, CLASSIFICATION, INTEREST AND PENALTIES ON INCOME TAXES, AND ACCOUNTING IN INTERIM PERIODS MANAGEMENT EVALUATED THE ASSOCIATION'S TAX POSITIONS AND CONCLUDED THAT THE ASSOCIATION HAD TAKEN NO UNCERTAIN TAX POSITIONS THAT REQUIRE ADJUSTMENT TO THE FINANCIAL STATEMENTS TO COMPLY WITH THE PROVISIONS OF THIS GUIDANCE GENERALLY, THE ASSOCIATION IS NO LONGER SUBJECT TO INCOME TAX EXAMINATIONS BY THE U S FEDERAL, STATE OR LOCAL TAX AUTHORITIES FOR YEARS BEFORE 2007

Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments and Individuals in the United States

Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22.
▶ Attach to Form 990

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
ASSOCIATION OF AMERICAN RAILROADS

Employer identification number
53-6000125

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . ☐ Yes ☑ No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Part II can be duplicated if additional space is needed. . . . . ▶ ☐

1 (a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
See Additional Data Table							

2 Enter total number of section 501(c)(3) and government organizations . . . . . ▶ 11

3 Enter total number of other organizations . . . . . ▶ 7

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Use Schedule I-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	**(b)** Number of recipients	**(c)** Amount of cash grant	**(d)** Amount of non-cash assistance	**(e)** Method of valuation (book, FMV, appraisal, other)	**(f)** Description of non-cash assistance

Part IV **Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information.

Identifier	**Return Reference**	**Explanation**
PROCEDURE FOR MONITORING GRANTS IN THE U S	PART I, LINE 2	SCHEDULE I, PART I, LINE 2 AAR AWARDS ASSISTANCE TO ORGANIZATIONS RECOGNIZED AS TAX-EXEMPT UNDER IRC SECTION 501(C) OR AS A COLLEGE OR UNIVERSITY

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 53-6000125
Name: ASSOCIATION OF AMERICAN RAILROADS

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
AMERICAN COALITION FOR CLEAN COAL ELECTRICITY333 JOHN CARLYLE STREET SUITE 530 ALEXANDRIA,VA 22314	52-1799853	501(C)(6)	5,970,557				PROGRAM SUPPORT
AMERICANS FOR TAX REFORM722 12TH STREET NW FOURTH FLOOR WASHINGTON,DC 20005	52-1400492	501(C)(3)	40,000				PROGRAM SUPPORT
ARMY COLLEGE FOUNDATION122 FORBES AVENUE CARLISLE,PA 17013	23-2034407	501(C)(3)	25,000				EVENT SUPPORT
BUSINESS INDUSTRY POLITICAL ACTION COMMITTEE (BIPAC)888 SIXTEENTH ST NW STE 305 WASHINGTON,DC 20006	13-1985476		25,000				PROGRAM SUPPORT
BLUEGREEN ALLIANCE 2828 UNIVESITY AVENUE SE SUITE 200 MINNEAPOLIS,MN 55414	20-3477309	501(C)(3)	50,000				PROGRAM SUPPORT
CBC INSTITUTE455 MASSACHUSETTS AVENUE NW SUITE 150-355 WASHINGTON,DC 20001	52-2270607	501(C)(4)	20,000				EVENT SUPPORT
COALITION AGAINST BIGGER TRUCKS LLC901 N PITT STREET SUITE 310 ALEXANDRIA,VA 22314	94-3229678	501(C)(4)	415,000				PROGRAM SUPPORT
COMMON GROUND ALLIANCE1421 PRINCE STREET SUITE 410 ALEXANDRIA,VA 22314	41-1984081	501(C)(3)	10,000				PROGRAM SUPPORT
GO21901N PITT STREET SUITE 315 ALEXANDRIA,VA 22314	35-2226505	501(C)(4)	1,315,000				PROGRAM SUPPORT
METROPOLITAN PLANNING COUNCIL25 E WASHINGTON STREET STE 1600 CHICAGO,IL 60602	36-2382849	501(C)(3)	20,000				PROGRAM SUPPORT
NCSL FOUNDATION FOR STATE LEGISLATURES7700 EAST FIRST PLACE DENVER,CO 80230	74-2232576	501(C)(3)	7,500				PROGRAM SUPPORT
NORTH AMERICAN RAIL SHIPPERS ASSOCIATION (NARS)2115 PORTSMOUTH DRIVE RICHARDSON,TX 750824839	75-2635975	501(C)(6)	8,500				PROGRAM/EVENT SUPPORT

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
OPERATION LIFESAVER INC1420 KING STREET SUITE 401 ALEXANDRIA,VA 22314	74-2459189	501(C)(3)	30,500				PROGRAM SUPPORT
PUBLIC PRIVATE PARTNERSHIP INC3911 LORCOM LANE ARLINGTON,VA 22207			15,000				EVENT SUPPORT
RAILROAD RESEARCH FOUNDATION425 THIRD ST SW SUITE 910 WASHINGTON,DC 20024	52-2344655	501(C)(3)	144,000				PROGRAM SUPPORT
SURFACE TRANSPORTATION POLICY PROJECT1707 L STREET NW SUITE 1050 WASHINGTON,DC 20036	52-1864166	501(C)(3)	120,000				PROGRAM SUPPORT
TRANSPORTATION RESEARCH BOARD NATIONAL ACADEMY OF SCIENCES LOCK BOX 289 WASHINGTON,DC 20055	53-0196932	501(C)(3)	32,500				PROGRAM SUPPORT
UNIVERSITY OF ILLINOIS 205 N MATHEWS AVE NEWMARK CE URBANA,IL 61801	37-6006007	501(C)(3)	124,400				PROGRAM SUPPORT

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
ASSOCIATION OF AMERICAN RAILROADS

Employer identification number
53-6000125

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items ☐ First-class or charter travel ☑ Travel for companions ☑ Tax idemnification and gross-up payments ☐ Discretionary spending account ☑ Housing allowance or residence for personal use ☐ Payments for business use of personal residence ☑ Health or social club dues or initiation fees ☐ Personal services (e g , maid, chauffeur, chef)			
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement orprovision of all the expenses described above? If "No," complete Part III to explain	**1b**	Yes	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**	Yes	
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply ☑ Compensation committee ☑ Independent compensation consultant ☑ Form 990 of other organizations ☑ Written employment contract ☑ Compensation survey or study ☑ Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment from the organization or a related organization?	**4a**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement? If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III	**4c**		No
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		
b	Any related organization? If "Yes," to line 5a or 5b, describe in Part III	**5b**		
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		
b	Any related organization? If "Yes," to line 6a or 6b, describe in Part III	**6b**		
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions on row (ii) Do not list any individuals that are not listed on Form 990, Part VII

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) EDWARD R HAMBERGER	(i)	697,767	360,180	15,574	10,508	46,893	1,130,922	0
	(ii)	0	0	0	0	0	0	0
(2) LOUIS P WARCHOT	(i)	319,697	987,628	5,006	51,769	32,527	1,396,627	0
	(ii)	0	0	0	0	0	0	0
(3) JOHN T GRAY	(i)	275,331	128,418	4,255	13,061	19,256	440,321	0
	(ii)	0	0	0	0	0	0	0
(4) ROBERT C VANDERCLUTE	(i)	253,909	67,167	7,291	10,420	19,540	358,327	0
	(ii)	0	0	0	0	0	0	0
(5) HUBERT K O'BANNON	(i)	305,569	72,822	3,415	253,317	29,214	664,337	0
	(ii)	0	0	0	0	0	0	0
(6) PATRICIA M REILLY	(i)	265,478	62,542	2,587	11,513	24,924	367,044	0
	(ii)	0	0	0	0	0	0	0
(7) JEFFREY D MARSH	(i)	255,103	92,545	1,353	9,005	23,177	381,183	0
	(ii)	0	0	0	0	0	0	0
(8) JANET L BARTELMAY	(i)	179,070	240,543	2,595	34,267	9,995	466,470	0
	(ii)	0	0	0	0	0	0	0
(9) JOHN F WETZEL	(i)	188,538	162,554	2,171	48,648	24,014	425,925	0
	(ii)	0	0	0	0	0	0	0
(10) NANCY L WILSON	(i)	40,602	87,500	19,189	9,609	4,278	161,178	0
	(ii)	0	0	0	0	0	0	0
(11) PETER W FRENCH	(i)	171,790	381,465	175,919	9,524	17,218	755,916	0
	(ii)	0	0	0	0	0	0	0
(12) MICHAEL J RUSH	(i)	174,020	422,951	2,058	36,784	23,153	658,966	0
	(ii)	0	0	0	0	0	0	0
(13) FRANKLIN N HARDESTY	(i)	161,737	198,511	2,253	34,391	9,549	406,441	0
	(ii)	0	0	0	0	0	0	0
(14) ROBERT E FRONCZAK	(i)	166,135	174,408	1,614	5,535	18,009	365,701	0
	(ii)	0	0	0	0	0	0	0
(15) WILLIAM C THOMPSON	(i)	193,238	26,772	22,337	10,143	23,375	275,865	0
	(ii)	0	0	0	0	0	0	0
(16)								

Part III **Supplemental Information**

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8 Also complete this part for any additional information

Identifier	Return Reference	Explanation
	PART I, LINE 1A	TRAVEL FOR COMPANIONS LOUIS P WARCHOT - $718 TAX INDEMNIFICATION AND GROSS-UP PAYMENTS PETER FRENCH - AMOUNT WAS INCLUDED IN SERP PAYMENT HOUSING ALLOWANCE WILLIAM C THOMPSON - $11,876 - TAXABLE SOCIAL CLUB DUES EDWARD R HAMBERGER - $10,705 - NONTAXABLE LOUIS P WARCHOT - $7,053 - NONTAXABLE HUBERT K O'BANNON - $9,732 - NONTAXABLE JOHN F WETZEL - $720 - NONTAXABLE
	PART I, LINE 4B	THE FOLLOWING INDIVIDUALS PARTICIPATE IN SERP EDWARD R HAMBERGER LOUIS P WARCHOT HUBERT K O'BANNON JOHN F WETZEL JANET L BARTELMAY MICHAEL RUSH PETER FRENCH FRANKLIN HARDESTY THE FOLLOWING INDIVIDUALS RECEIVED PAYMENTS FROM LONG TERM INCENTIVE PLAN (LTIP) JANET L BARTELMAY - $193,064 MICHAEL RUSH - $375,472 LOUIS P WARCHOT - $902,390 JOHN F WETZEL - $112,340 NANCY WILSON - $37,768 ROBERT FRONCZAK - $151,663 PETER FRENCH - $357,023 FRANKLIN HARDESTRY - $176,190
SUPPLEMENTAL INFORMATION	PART III	SCHEDULE J, PART II DEFERRED COMPENSATION COMPENSATION FOR CERTAIN PERSONS INCLUDES PAYMENTS MADE IN 2010 UNDER AAR'S LONG TERM INCENTIVE COMPENSATION PLAN (DEFERRED COMPENSATION) ADDITIONAL INFORMATION IS LOCATED IN SCHEDULE O

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
ASSOCIATION OF AMERICAN RAILROADS

Employer identification number
53-6000125

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6		ORGANIZATION'S MEMBERS AAR MEMBERS INCLUDE THE MAJOR FREIGHT RAILROADS OF THE UNITED STATES, CANADA AND MEXICO, AS WELL AS SMALLER RAILROADS THAT PROVIDE FREIGHT OR PASSENGER SERVICES TO TOWNS AND CITIES THROUGHOUT THE U S IN ADDITION, AMTRAK IS A FULL MEMBER OF AAR AAR HAS THREE CLASSES OF MEMBERSHIP, (1) FULL MEMBERSHIP IS AVAILABLE TO U S RAILROADS, (2) SPECIAL MEMBERSHIP IS A AVAILABLE TO CANADIAN AND MEXICAN RAILROADS, AND (3) ASSOCIATE MEMBERSHIP IS AVAILABLE TO NON-CLASS 1 RAILROADS AND RAILROAD SUPPLIERS AAR'S FULL MEMBERS HAVE VOTING RIGHTS AS PRESCRIBED IN THE AAR BY-LAWS

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7B		AAR CORPORATE DOCUMENTS ALLOW FOR DECISIONS OF THE BOARD TO BE APPROVED BY MEMBERS TO THE EXTENT PROVIDED BY LAW ALL MATTERS ARE SUBJECT TO MEMBERSHIP APPROVAL IN ACCORDANCE WITH STATE LAW

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11		THE FORM 990 IS REVIEWED IN DETAIL BY THE ORGANIZATION'S CFO, PRESIDENT AND GENERAL COUNSEL PRIOR TO FILING A COPY OF THE 2010 FORM 990 WAS MADE AVAILABLE TO EACH MEMBER OF THE ORGANIZATION'S GOVERNING BODY FOR REVIEW PRIOR TO FILING WITH THE IRS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	AN ANNUAL WRITTEN CONFIRMATION OF COMPLIANCE WITH THE ORGANIZATION'S CONFLICT OF INTEREST POLICIES IS REQUIRED FROM ALL AAR BOARD MEMBERS, EMPLOYEES AND DIRECTORS THE ANNUAL CONFLICT OF INTEREST DISCLOSURES OF EMPLOYEES ARE REVIEWED BY THE DIRECTOR OF HUMAN RESOURCES OR GENERAL COUNSEL THE DISCLOSURES OF THE OFFICERS, PRESIDENT, AND CEO ARE REPORTED TO THE GENERAL COUNSEL DISCLOSURES OF THE GENERAL COUNSEL ARE REPORTED TO THE CEO IN THE EVENT OF AN ACTUAL OR POTENTIAL CONFLICT, AAR WOULD INVESTIGATE AND TAKE APPROPRIATE ACTION TO AVOID THE ACTUAL OR POTENTIAL CONFLICT SUCH ACTION WOULD INCLUDE THAT THE CONFLICTED PERSON DOES NOT PARTICIPATE IN THE REVIEW, RESOLUTION PROCESS, OR ANY DELIBERATION/DECISION MAKING RELATED TO THE MATTER FOLLOW UP ACTIONS ARE TAKEN AS NEEDED BY AAR GENERAL COUNSEL

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	COMPARABILITY DATA IS PREPARED BY AN INDEPENDENT COMPENSATION CONSULTANT FOR EXECUTIVE (CEO AND VICE PRESIDENTS) COMPENSATION THAT INFORMATION IS PROVIDED ANNUALLY TO THE ORGANIZATION'S GOVERNANCE COMMITTEE AS PART OF ITS ANNUAL BUDGET DELIBERATIONS EXECUTIVE SALARIES ARE REVIEWED AND ANY MERIT ADJUSTMENTS FOR THAT FISCAL YEAR ARE DETERMINED AS PART OF THE ANNUAL BUDGETARY PROCESS CONTEMPORANEOUS MINUTES OF GOVERNANCE COMMITTEE MEETINGS ARE MAINTAINED

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	THE ORGANIZATION MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC TO THE EXTENT REQUIRED BY LAW

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED GAINS ON INVESTMENTS 1,003,330 LOSS ON DEFINED BENEFIT PLAN NET ASSETS -2,023,415 TOTAL TO FORM 990, PART XI, LINE 5 -1,020,085

Identifier	Return Reference	Explanation
	FORM 990, PART XII, LINE 2A, 2B, AND 2C	OVERSIGHT OF CONSOLIDATED AUDITED FINANCIAL STATEMENTS THE CONSOLIDATED FINANCIAL STATEMENTS WERE AUDITED BY AN INDEPENDENT ACCOUNTANT THE ORGANIZATION DOES HAVE AN INDEPENDENT AUDIT COMMITTEE THAT ASSUMES RESPONSIBILITY FOR THE OVERSIGHT OF THE AUDIT OF ITS FINANCIAL STATEMENTS AND THE SELECTION OF THE INDEPENDENT ACCOUNTANT

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
ASSOCIATION OF AMERICAN RAILROADS

Employer identification number
53-6000125

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization Yes	No
(1) RAILROAD RESEARCH FOUNDATION 425 THIRD ST SW SUITE 910 WASHINGTON, DC 20024 52-2344655	RESEARCH	DE	501(C)(3)	LINE 7	ASSOCIATION OF AMERICAN RAILROADS		No

Part III **Identification of Related Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) TRANSPORTATION TECHNOLOGY CENTER INC 55500 DOT ROAD PUEBLO, CO81001 84-1440384	RAILROAD SVCS	DE	ASSOCIATION OF AMERICAN RAILROADS	C	24,336,523	24,082,242	100 000 %
(2) RAILINC CORPORATION 7001 WESTON PARKWAY SUITE 200 CARY, NC27513 52-2131600	IT & SVCS	DE	ASSOCIATION OF AMERICAN RAILROADS	C	46,876,339	23,895,496	100 000 %

Part V **Transactions With Related Organizations** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, 35A, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III or IV

			Yes	No
1	During the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a	Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties **(iv)** rent from a controlled entity	1a	Yes	
b	Gift, grant, or capital contribution to other organization(s)	1b	Yes	
c	Gift, grant, or capital contribution from other organization(s)	1c		No
d	Loans or loan guarantees to or for other organization(s)	1d	Yes	
e	Loans or loan guarantees by other organization(s)	1e	Yes	
f	Sale of assets to other organization(s)	1f		No
g	Purchase of assets from other organization(s)	1g		No
h	Exchange of assets	1h		No
i	Lease of facilities, equipment, or other assets to other organization(s)	1i	Yes	
j	Lease of facilities, equipment, or other assets from other organization(s)	1j		No
k	Performance of services or membership or fundraising solicitations for other organization(s)	1k	Yes	
l	Performance of services or membership or fundraising solicitations by other organization(s)	1l	Yes	
m	Sharing of facilities, equipment, mailing lists, or other assets	1m	Yes	
n	Sharing of paid employees	1n	Yes	
o	Reimbursement paid to other organization for expenses	1o		No
p	Reimbursement paid by other organization for expenses	1p	Yes	
q	Other transfer of cash or property to other organization(s)	1q		No
r	Other transfer of cash or property from other organization(s)	1r		No

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

(a) Name of other organization	**(b)** Transaction type(a-r)	**(c)** Amount involved	**(d)** Method of determining amount involved
(1) See Additional Data Table			
(2)			
(3)			
(4)			
(5)			
(6)			

Part VI Unrelated Organizations Taxable as a Partnership (Complete if the organization answered "Yes" on Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization See instructions regarding exclusion for certain investment partnerships

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations?		(e) Share of end-of-year assets	(f) Disproprtionate allocations?		(g) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner?	
			Yes	No		Yes	No		Yes	No

Part VII Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

Identifier	Return Reference	Explanation
	FORM 990, PART V	THE TRANSACTIONS WITH RAILROAD RESEARCH FOUNDATION CORRESPONDING WITH LINES 1M AND 1N ARE MINIMAL IN AMOUNT THE TRANSACTION CORRESPONDING WITH LINES 1D AND 1E INVOLVES AN UNSECURED LINE OF CREDIT WHICH WAS CO-SIGNED BY ORGANIZATIONS RELATED TO THE ASSOCIATION OF AMERICAN RAILROADS DURING 2007, IN CONNECTION WITH AAR'S RENEWAL OF AN UNSECURED LINE OF CREDIT WITH SUNTRUST BANK, THE ASSOCIATION ENTERED INTO AN UNSECURED LINE OF CREDIT AS A CO-BORROWER WITH RRF, TTCI AND RAILINC (AS WHOLLY OWNED SUBSIDIARIES OF AAR) IN THE AMOUNT OF $4 MILLION THAT EXPIRED JULY 31, 2008 AND WAS SUBSEQUENTLY RENEWED ANNUALLY THROUGH JULY 31, 2011 UNDER THE LINE OF CREDIT FACILITY, SUNTRUST BANK WILL ALLOW ADVANCES AT ANY TIME PROVIDED NO SIGNIFICANT DETERIORATION IN THE FINANCIAL CONDITION OF THE CO-BORROWERS HAS OCCURED AS OF DECEMBER 31, 2010 NO AMOUNTS HAD BEEN WITHDRAWN ON THE LINE OF CREDIT

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 53-6000125
Name: ASSOCIATION OF AMERICAN RAILROADS

Form 990, Schedule R, Part V - Transactions With Related Organizations

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved ($)	(d) Method of determining amount involved
(1)	RAILROAD RESEARCH FOUNDATION	B	235,637	COST
(2)	RAILROAD RESEARCH FOUNDATION	K	133,157	COST
(3)	RAILROAD RESEARCH FOUNDATION	P	75,331	COST
(4)	RAILINC CORPORATION	A	750,000	COST
(5)	RAILINC CORPORATION	K	1,273,982	COST
(6)	TRANSPORTATION TECHNOLOGY CENTER INC	P	1,050,535	COST
(7)	TRANSPORTATION TECHNOLOGY CENTER INC	L	13,374,770	COST
(8)	TRANSPORTATION TECHNOLOGY CENTER INC	I	5,249	COST
(9)	RAILROAD RESEARCH FOUNDATION	I	12,538	COST
(10)	TRANSPORTATION TECHNOLOGY CENTER INC	K	652,587	COST
(11)	RAILINC CORPORATION	P	40,070	COST
(12)	RAILINC CORPORATION	L	9,971	COST

Additional Data

Software ID:
Software Version:
EIN: 53-6000125
Name: ASSOCIATION OF AMERICAN RAILROADS

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
CHARLES W WICK MOORMAN DIRECTOR	1 00	X						0	0	0
JOSEPH H BOARDMAN DIRECTOR	1 00	X						0	0	0
PETER A GILBERTSON DIRECTOR	1 00	X						0	0	0
FRED J GREEN DIRECTOR	1 00	X						0	0	0
MICHAEL R HAVERTY DIRECTOR	1 00	X						0	0	0
JOHN C HELLMANN DIRECTOR	1 00	X						0	0	0
CLAUDE MONGEAU DIRECTOR	1 00	X						0	0	0
MATTHEW K ROSE DIRECTOR	1 00	X						0	0	0
EMILIO SACRISTAN ROY DIRECTOR	1 00	X						0	0	0
ROGELIO VELEZ LOPEZ DIRECTOR	1 00	X						0	0	0
MICHAEL J WARD DIRECTOR	1 00	X						0	0	0
JAMES R YOUNG DIRECTOR	1 00	X						0	0	0
E HUNTER HARRISON DIRECTOR	1 00	X						0	0	0
DENNIS H MILLER DIRECTOR	1 00	X						0	0	0
EDWARD R HAMBERGER PRESIDENT AND CEO	40 00	X		X				1,073,521	0	57,401
LOUIS P WARCHOT SR VP-GENERAL COUNSEL	40 00			X				1,312,331	0	71,965
JOHN T GRAY SR VP-POLICY & ECONOMICS	40 00			X				408,004	0	27,323
ROBERT C VANDERCLUTE SR VP-SAFETY & OPERATIONS	40 00			X				328,367	0	24,682
HUBERT K O'BANNON SR VP-GOVERNMENT AFFAIRS	40 00			X				381,806	0	267,578
PATRICIA M REILLY VICE PRESIDENT-COMMUNICATIONS	40 00			X				330,607	0	31,431
JEFFREY D MARSH VICE PRESIDENT & CFO	40 00			X				349,001	0	27,586
JANET L BARTELMAY CORPORATE SECRETARY	40 00			X				422,208	0	41,305
JOHN F WETZEL VP-GOVERNMENT AFFAIRS	40 00			X				353,263	0	68,844
NANCY L WILSON VP-SECURITY	40 00			X				147,291	0	13,174
PETER W FRENCH AVP-SAFETY	40 00					X		729,174	0	23,786

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
MICHAEL J RUSH ASSOCIATE GENERAL COUNSEL	40 00					X		599,029	0	56,980
FRANKLIN N HARDESTY AVP-POLICY & ECONOMICS	40 00					X		362,501	0	41,241
ROBERT E FRONCZAK AVP-ENVIRONMENT & HAZMAT	40 00					X		342,157	0	20,792
WILLIAM C THOMPSON PROGRAM MANAGER	40 00					X		242,347	0	30,339