

SURFACE TRANSPORTATION BOARD

PRESCRIPTION OF DEPRECIATION RATES

for

UNION PACIFIC RAILROAD COMPANY

RAIL AND OTHER TRACK MATERIAL

UP-TR-11

Rates Effective: January 1, 2011

Union Pacific Railroad Company (UP) has submitted depreciation rates for its rail and other track material (OTM) property. Life and salvage estimates supporting these rates were also provided and have been given appropriate consideration.

The depreciation rates prescribed herein replace any rates previously prescribed for the subject property. Beginning on the effective date of this prescription, the railroad is prohibited from using any rates other than those prescribed herein. As stated in *49 U.S.C. 11143*, a rail carrier may not:

- (1) charge to operating expenses a depreciation charge on a class of property other than that prescribed by the Board;
- (2) charge another rate of depreciation; or
- (3) include other depreciation charges in operating expenses.

IT IS ORDERED:

- (1) Union Pacific Railroad Company (UP) shall account for depreciation charges by applying to the ledger value of rail and OTM, owned and used in its operations, the annual component percentage rates shown herein.
- (2) The rates shall be effective from **January 1, 2011, to December 31, 2011**, or until further order of the Board.
- (3) UP shall amortize the variance between book accumulated depreciation and the calculated guideline over the average remaining life of its rail and OTM property.

UP DEPRECIATION RATES RAIL AND OTHER TRACK MATERIAL			
A/C #	Account Name	Density	Depreciation Rate
Account 9, Rail and OTM			
9.01	Main & Branch Lines	1	4.87%
9.02	Main & Branch Lines	2	1.49%
9.04	Yard & Way Switching Track	4	3.45%
9.05	Electronic Yards	5	3.45%

Decided January 12, 2011, by the Surface Transportation Board, Accounting Board.